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Union Budget 2021

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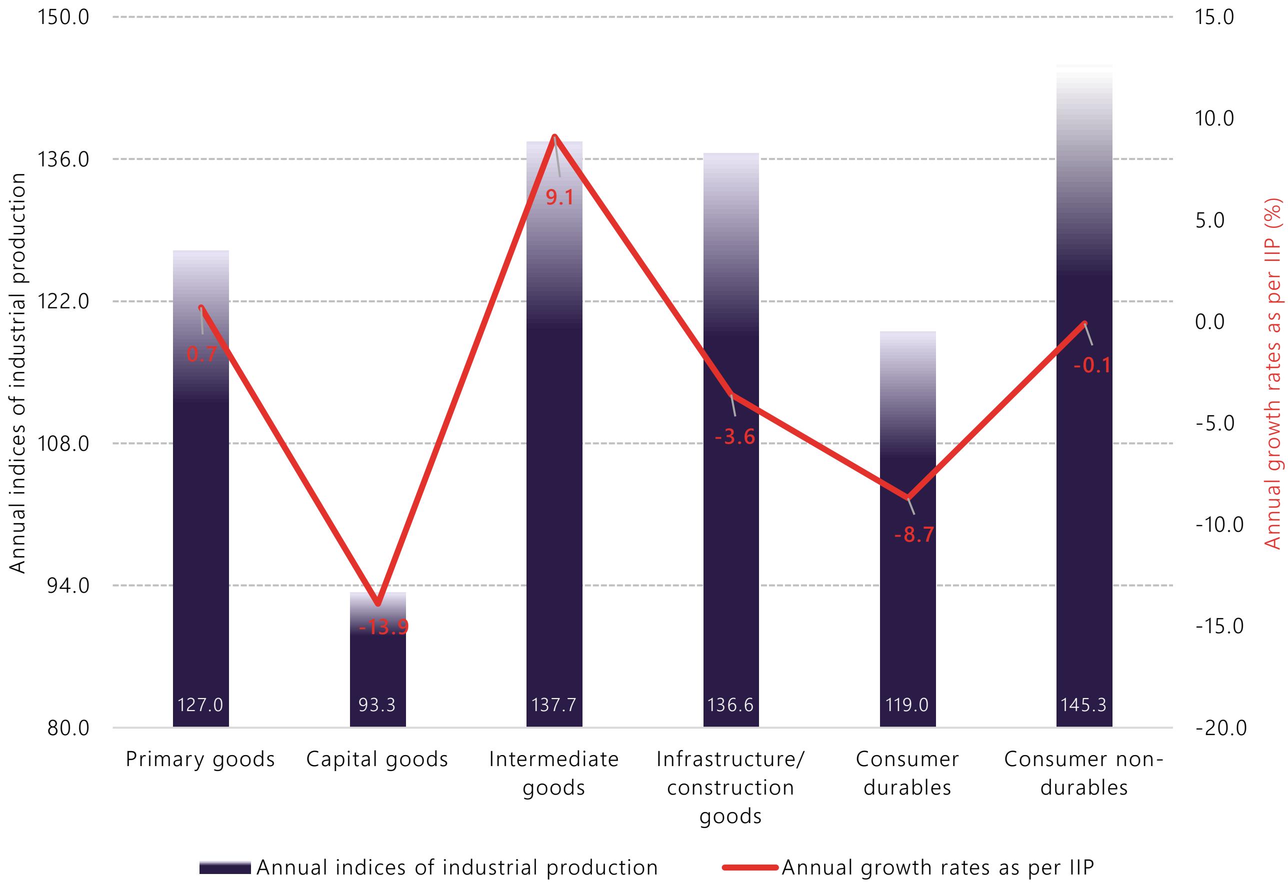
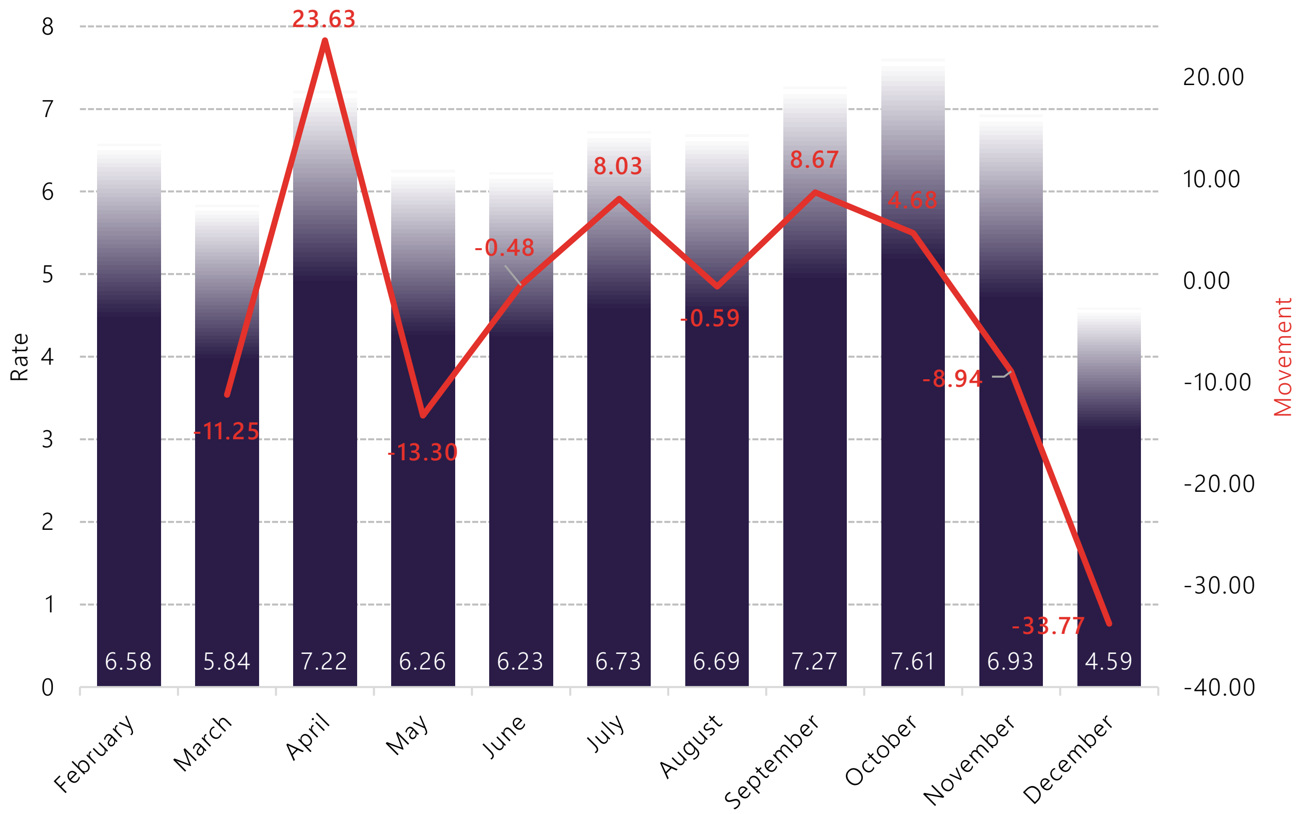
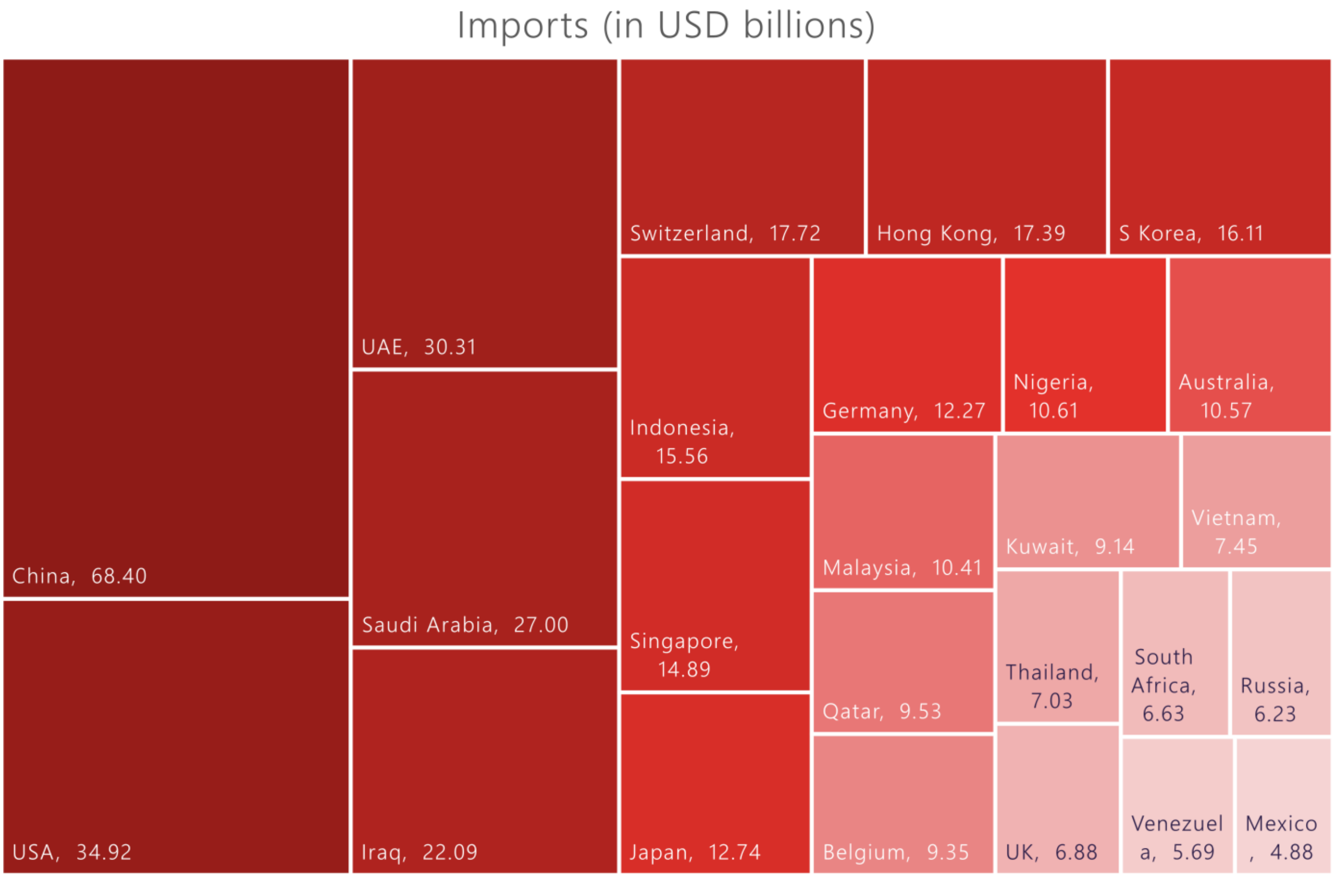


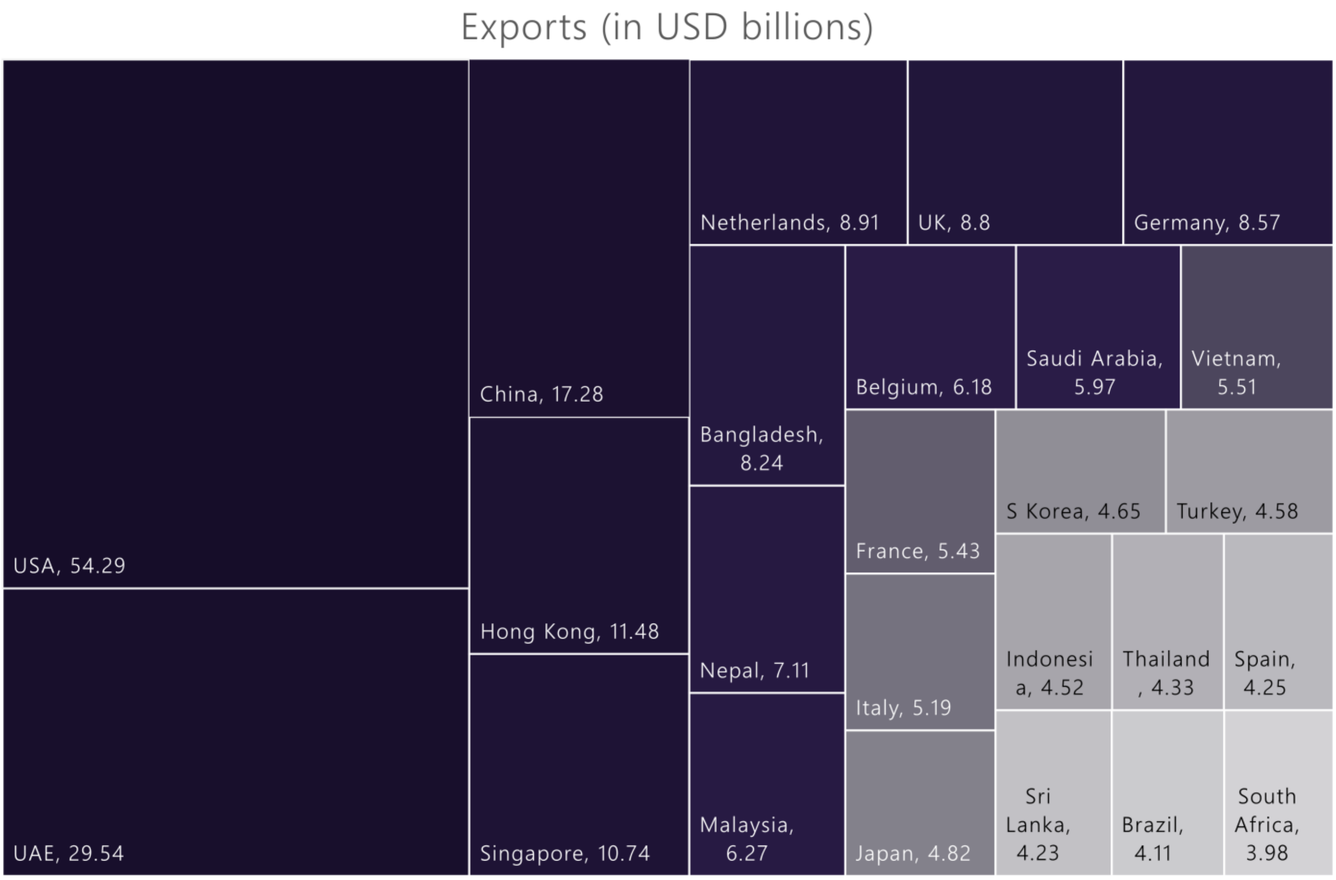
- The all India Index of Industrial Production ('IIP') is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period.
- The level of the IIP is an abstract number, the magnitude of which represents the status of production in the industrial sector for a given period as compared to a reference period.



- India's retail price inflation dropped to 4.59% year-on-year in December 2020, the lowest in 15 months, from 6.93% in November and below market expectations of 5.28%.
- It is the first time since March that prices remain within the central bank's 2%-6% target range mainly due to a slowdown in the cost of food (3.41% vs 9.50%).
- Miscellaneous price inflation also eased to 6.60% from 6.94%.
- Meanwhile, prices rose at a faster pace for:
  - *Paan*, tobacco and intoxicants (10.74% vs. 10.36%)
  - Housing (3.21% vs. 3.19%)
  - Fuel and light (2.99% vs 1.90%)
  - Clothing and footwear (3.49% vs 3.30%)
- On a monthly basis, consumer prices declined 1%, the first monthly drop since May.

Imports and exports 2019 (top 25)





Contents

AtmaNirbhar Bharat – Production Linked Incentive scheme ('PLI')

For a USD 5 trillion economy, our manufacturing sector must grow in double digits on a sustained basis. Our manufacturing companies need to become an integral part of global supply chains, possess core competence and cutting-edge technology. To achieve all the above, PLI schemes to create manufacturing global champions for an AtmaNirbhar Bharat have been announced for 13 sectors.

Mega Investment Textiles Parks ('MITRA')

To enable the textile industry to become globally competitive, attract large investments and boost employment generation, a scheme of MITRA will be launched in addition to the PLI scheme. This will create world class infrastructure with plug and play facilities to enable create global champions in exports. At least, seven Textile Parks will be established over three years.

Infrastructure

Infrastructure financing - Development Financial Institution ('DFI')

- Infrastructure Projects need long term debt financing. A professionally managed Development Financial Institution is necessary to act as a provider, enabler, and catalyst for infrastructure financing.
- Debt financing of InVITs and REITs by Foreign Portfolio Investors has been enabled by making suitable amendments in the relevant legislations. This will further ease access of finance to InVITS and REITs thus augmenting funds for infrastructure and real estate sectors.

National Monetization Pipeline

Monetizing operating public infrastructure assets is an important financing option for new infrastructure construction. A 'National Monetization Pipeline' of potential brownfield infrastructure assets will be launched. An Asset Monetization dashboard will also be created for tracking the progress and to provide visibility to investors.

National Rail Plan for India – 2030

The Plan is to create a 'future ready' Railway system by 2030, bringing down the logistic costs for the industry is at the core of for to enable 'Make in India'.

Power infrastructure

The distribution companies across the country are monopolies, either government or private. There is a need to provide choice to consumers by promoting competition. A framework will be put in place to give consumers alternatives to choose from among more than one distribution company.

Financial sector

Securities Market Code

It is proposed to consolidate the provisions of SEBI Act, 1992, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and Government Securities Act, 2007 into a rationalized single Securities Markets Code.

Increasing FDI in insurance sector

It is proposed to amend the Insurance Act, 1938 to increase the permissible FDI limit from 49% to 74% in Insurance Companies and allow foreign ownership and control with safeguards. Under the new structure, most of the Directors on the Board and key management persons would be resident Indians, with at least 50% of Directors being Independent Directors, and specified percentage of profits being retained as general reserve.

Bad Bank – Stressed asset resolution by setting up a new structure

The high level of provisioning by public sector banks of their stressed assets calls for measures to clean up the bank books. An Asset Reconstruction Company Limited and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realization.

Recapitalization of PSBs

To further consolidate the financial capacity of PSBs, further recapitalization of INR 20,000 crores is proposed in the financial year 2021-2022.

Deposit Insurance

It is proposed to amendment to the DICGC Act, 1961 to streamline the provisions, so that if a bank is temporarily unable to fulfil its obligations, the depositors of such a bank can get easy and time-bound access to their deposits to the extent of the deposit insurance cover. This would help depositors of banks that are currently under stress.

Company matters

- Decriminalization of the Limited Liability Partnership (LLP) Act, 2008.
- Increase the scope of Small Companies by increasing their thresholds for Paid up capital from INR 50 lakh to INR 2 crore and turnover from INR 2 crore to INR 20 crore.
- Incentivize the incorporation of One Person Companies ('OPCs') by allowing OPCs to grow without any restrictions on paid up capital and turnover.

- No changes have been proposed in the rates of tax.
- Accordingly, the rates of tax (including cess and surcharge) as applicable for assessment year 2022-2023 are as under:

Existing rates #				
Income (INR)	**Age < 60 years**	**Age > 60 years but < 80 years**	**Age > 80 years**	**Alternate regime ***
Up to 2,50,000	Nil	Nil	Nil	Nil
2,50,001 to 3,00,000	5.20%	Nil	Nil	5.20%
3,00,001 to 5,00,000	5.20%	5.20%	Nil	5.20%
5,00,001-7,50,000	20.80%	20.80%	20.80%	10.40%
7,50,000 - 10,00,000	20.80%	20.80%	20.80%	15.60%
10,00,001 - 12,50,000	31.20%	31.20%	31.20%	20.80%
12,50,001 - 15,00,000	31.20%	31.20%	31.20%	26%
15,00,001 - 50,00,000	31.20%	31.20%	31.20%	31.20%
50,00,001 - 1,00,00,000	34.32%	34.32%	34.32%	34.32%
1,00,00,001 - 2,00,00,000	35.88%	35.88%	35.88%	35.88%
2,00,00,001 - 5,00,00,000	39.00%	39.00%	39.00%	39.00%
Above 5,00,00,000	42.74%	42.74%	42.74%	42.74%

 # Rates of tax including surcharge and cess

@10% to be levied if the total income is between INR 50 lakh to INR 1 crore.

@15% is levied if the total income exceeds INR 1 crore to INR 2 crore.

@25% is levied if the total income exceeds INR 2 crore to INR 5 crore.

@37% is levied if the total income exceeds INR 5 crore

@4% Health and Education Cess on Income tax including surcharge

** Taxpayer opting for this simplified tax regime, will not be eligible for certain deductions under Chapter VI-A, LTA, HRA, Standard deduction, interest on home loan, etc.*

Tax rates #			
Description	**Net income INR 0-1 crore ***	**Net income INR 1-10 crore ***	**Net income above INR 10 crore ***
Domestic companies			
With turnover under INR 400 crores	26%	27.82%	29.12%
Domestic Companies Covered under Section 115BA	26%	27.82%	29.12%
Domestic Companies Covered under Section 115BAA	25.17%	25.17%	25.17%
Domestic Companies Covered under Section 115BAB	17.16%	17.16%	17.16%
With a turnover in excess of INR 400 crores / other domestic companies	31.20%	33.38%	34.94%
Marginal Attributable Tax ('MAT')	15.60%	16.69%	17.47%
Buy Back Tax under Section 115QA	23.30%	23.30%	23.30%
Foreign companies			
Foreign companies	41.60%	42.43%	43.68%
Firms and LLP			
Firms and LLP	31.20%	34.94%	34.94%
Alternate Marginal Tax ('AMT')	19.24%	21.55%	21.55%

Rates of tax including surcharge and cess

@7% to be levied on companies if the total income is between INR 1 crore to INR 10 crore.

@12% to be levied on companies if the total income exceeds INR 10 crore

@10% to be levied on domestic companies covered under Section 115BAA and Section 115BAB companies irrespective of the amount of total income

@12% to be levied on Firms and LLP if the total income exceeds INR 1 crore

@4% Health and Education Cess on income tax including surcharge

Vedya analysis

The industry was expecting the Government to take some steps and increase tax to recover the revenue deficit on account of Covid19. There were expectations of the imposition of Wealth Tax, Covid Cess and increase in LTCG. However, the Government has taken a conscious decision to avoid any such steps that would increase the tax burden of the assessees. No increase in taxes is saving on its own.

A stable tax policy is always a welcome move as it provides an ease to taxpayers to plan their incomes and taxes and provides certainty in the mind of the assessees.

Incentives to affordable housing / rental housing

- The existing provisions of Section 80-IBA of the Income-tax Act *inter alia* provide that where the gross total income of an assessee includes any profits and gains derived from the business of developing and building affordable housing projects, there shall, subject to certain conditions specified therein, be allowed a deduction of an amount equal to 100% of the profits and gains derived from such business. The conditions contained in the section *inter alia* prescribe that the project is approved by the competent authority during the period from 1 June 2016 to 31 March 2021.
- In order to help migrant labour and to promote affordable rental, it is proposed to allow deduction under Section 80-IBA of the Income-tax Act also to such rental housing project which is notified by the Central Government in the Official Gazette and fulfils such conditions as specified in the said notification.
- Further, in order to incentivize building affordable housing to boost the supply of such houses, and provide housing to migrants, the period of approval of the project by the competent authority is proposed to be extended to 31 March 2022.
- This amendment will take effect from 1 April 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

In order to boost the supply of affordable housing in the country and provide affordable rental housing, a tax holiday is provided on the profits earned by developers of the affordable housing project will provide relief to the Affordable housing market which is also a large-scale employment generator.

Extending the time limit for sanctioning of loan for affordable housing for availing deduction under Section 80EEA

- The existing provisions of Section 80EEA of the Income-tax Act provide for a deduction in respect of interest on loan taken from any financial institution for the acquisition of an affordable residential house property. The deduction allowed is up to INR 1,50,000 and is subject to certain conditions. One of the conditions is that loan has been sanctioned by the financial institution during the period from 1 April 2019 to 31 March 2020.
- The said deduction is aimed to incentivize first-time buyers to invest in residential house property whose stamp duty does not exceed INR 50 lakh. In order to continue promoting the purchase of affordable housing, the period of sanctioning of loan by the financial institution was extended up to 31 March 2021, by Finance Act, 2020, the same is now proposed to be extended to 31 March 2022.
- This amendment will take effect from 1 April 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

The aim to promote homeownership and incentivize first time home buyers purchasing affordable residential house property. In order to continue promoting the purchase of affordable housing, it is proposed to extend the period of loan sanctioned to 31 March 2022.

Incentives for start ups

- The existing provisions of Section 80-IAC of the Income-tax Act provide for a deduction of an amount equal to 100% of the profits and gains derived from an eligible business by an eligible start-up for three consecutive assessment years out of ten years, at the option of the assessee, subject to the condition that the eligible start-up is incorporated on or after 1 April 2016 but before 1 April 2021 and the total turnover of its business does not exceed INR 100 crore.
- Further, the existing provisions of the Section 54GB of the Income-tax Act *inter alia* provide for exemption of capital gain which arises from the transfer of a long-term capital asset, being a residential property (a house or a plot of land), owned by the eligible assessee. The assessee is required to utilize the net consideration for subscription in the equity shares of an eligible start-up before the due date of furnishing of return of income under Section 139(1) of the Income-tax Act. The eligible start-up is required to utilize this amount for purchase of new asset within one year from the date of subscription in equity shares by the

assessee. Further, it has been provided, benefit is available only when the residential property is transferred on or before 31 March 2021.

- In order to further rationalize the provisions relating to start-ups, it is proposed to:
  - Amend Section 80-IAC of the Income-tax Act so as to extend the outer date of incorporation to before 1 April 2022;
  - Amend the provisions of Section 54GB of the Income-tax Act to extend the outer date of transfer of residential property from 31 March 2021 to 31 March 2022.
- This amendment will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

The extended benefit of tax holiday to larger start-ups and further to addressing the of start-ups which may not have adequate profit in initial years for availing this holiday is a great initiative to promote Start-up India.

One-time exemption for LTC Cash Scheme

- Section 10(5) of the Income-tax Act provides for exemption in respect of the value of travel concession or assistance received by or due to an employee from his employer or former employer for himself and his family, in connection with his proceeding on leave to any place in India. Given the situation arising out of the outbreak of Covid pandemic, it is proposed to provide tax exemption to cash allowance in lieu of LTC.
- Hence, it is proposed to insert the second proviso to in Section 10(5), to provide that, for the assessment year beginning on the 1 April 2021, the value in lieu of any travel concession or assistance received by, or due to, an individual shall also be exempt under this clause subject to fulfilment of certain conditions.
- It is also proposed to clarify by way of an Explanation that where individual claims and is allowed exemption under the second proviso in connection with prescribed expenditure, no exemption shall be allowed under this clause in respect of same prescribed expenditure to any other individual.
- The proposed conditions for this purpose shall be prescribed in the Income-tax Rules in due course and shall *inter alia* be as under:
  - The employee exercises an option for the deemed LTC fare in lieu of the applicable LTC in the block year 2018-2021;
  - Specified expenditure means expenditure incurred by an individual or a member of his family during the specified period on goods or services which are liable to tax at an aggregate rate of 12% or above under various GST laws and goods are purchased or services procured from GST registered vendors / service providers;
  - Specified period means the period commencing from 12 October 2020 and ending on 31 March 2021;
  - The amount of exemption shall not exceed INR 36,000 per person or one-third of specified expenditure, whichever is less;
  - The payment to GST registered vendor / service provider is made by an account payee cheque drawn on a bank or account payee bank draft, or use of electronic clearing system through a bank account or such other electronic mode as prescribed under Rule 6ABBA and a tax invoice is obtained from such vendor / service provider;
  - If the amount received by, or due to an individual as per the terms of his employment, from his employer in relation to himself and his family, for the LTC is more than what is allowable to such person under the above-discussed provisions, the exemption under the proposed amendment would be available only to the extent of exemption admissible under above-listed provisions.
- These amendments will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 only.

Vedya analysis

This one-time exemption shall provide relief to employees, on the amount given to an employee in lieu of LTC cash scheme subject to incurring of specified expenditure.

Government has established a world-class financial services centre. Units located in IFSC enjoy some concession. In order to make location in IFSC more attractive, it is proposed to provide the following additional incentives.

- It is proposed to amend Section 9A of the Income-tax Act to provide that the Central Government may, by notification in the Official Gazette, specify that any one or more of the conditions specified in clauses(a) to (m) of sub-section(3) or clauses (a) to (d) of Section 9A (4) of the Income-tax Act shall not apply (or apply with modification) to an eligible investment fund or its eligible fund manager, if the fund manager is located in an International Financial Services Centre and has commenced operations on or before the 31 March 2024.
- It is also proposed to amend Section 10(4D) of the Income-tax Act so as to provide that the exemption under this clause shall also be available in case of any income accrued or arisen to or received to the investment division of offshore banking unit to the extent attributable to it and computed in the prescribed manner.
- It is also proposed to amend the expression 'specified fund' to include under the purview the investment division of offshore banking unit which has been granted a category III AIF registration and fulfils other conditions to be prescribed including the condition of maintaining separate books for its investment division. The investment division of offshore banking unit is proposed to be defined as an investment division of a banking unit of a non-resident located in an International Financial Services Centre and which has commenced operation on or before the 31 March 2024.
- It is also proposed to insert a new clause (4E) in Section 10 of the Income-tax Act so as to exempt any income accrued or arisen to or received by a non-resident as a result of a transfer of non-deliverable forward contracts entered into with an offshore banking unit of International Financial Services Centre which commenced operations on or before the 31 March 2024 and fulfils prescribed conditions.
- It is also proposed to insert a new clause (4F) in of Section 10 of the Income-tax Act so as to exempt any income of a non-resident by way of royalty on account of a lease of an aircraft in a previous year paid by a unit of an International Financial Services Centre if the unit is eligible for deduction under Section 80LA for that previous year and has commenced operation on or before the 31 March 2024.
- It is also proposed to insert a new clause (23FF) in of Section 10 of the Income-tax Act so as to exempt any income of the nature of capital gains, arising or received by a non-resident, which is on account of transfer of the share of a company resident in India by the resultant fund and such shares were transferred from the original fund to the resultant fund in relocation, if capital gains on such shares were not chargeable to tax had that relocation not taken place.
- 'Original Fund' is proposed to be defined as a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfils the following conditions, namely:
  - The fund is not a person resident in India;
  - The fund is a resident of a country or a specified territory with which an agreement referred to in Section 90(1) or Section 90A(1) has been entered into, or is established or incorporated or registered in a country or a specified territory notified by the Central Government in this behalf;
  - The fund and its activities are subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident; and
  - Fulfils such other conditions as prescribed;
- 'Relocation' is proposed to be defined as transfer of assets of the original fund to a resultant fund on or before the 31 March 2023, where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund to the shareholder or unit holder or interest holder of the original fund in the same proportion in which the share or unit or interest was held by such shareholder or unit holder or interest holder in such original fund.
- 'Resultant fund' is proposed to be defined as a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership, which-
  - Has been granted a certificate of registration as a Category I or Category II or Category III Alternative

  - Investment Fund, and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and exchange Board of India Act, 1992 (15 of 1992); and
  - Is located in any International Financial Services Centre as referred to in Section 80LA(1A).
- It is also proposed to amend Section 47 of the Income-tax Act to insert new clauses in the said Section so as to provide that any transfer, in relocation, of a capital asset by the original fund to the resultant fund shall not be considered as transfer for capital gain tax purpose. It is also proposed to provide another clause to provide that any transfer by a shareholder or unit holder or interest holder, in a relocation, of a capital asset being a share or unit or interest held by him in the original fund in consideration for the share or unit or interest in the resultant fund shall not be treated as transfer for the purpose of capital gains. The definition of Original Fund, Relocation and Resultant Fund shall be as already described above.
- Consequential amendments shall be proposed in Sections 49, 56 and 79 of the Income-tax Act on account of such relocation.
- It is also proposed to amend the Section 80LA of the Income-tax Act to:
  - Provide that deduction under the said Section is also available to a unit of International Financial Services Centre if it is registered under the International Financial Services Centre Authority Act, 2019 and thereby removing the earlier requirement of obtaining permission under any other relevant law.
  - Provide that the income arising from transfer of an asset, being an aircraft or aircraft engine which was leased by a unit referred to in clause (c) of sub-Section (2) of said Section to a domestic company engaged in the business of operation of aircraft before such transfer shall also be eligible for 100% deduction subject to the condition that the unit has commenced operation on or before the 31 March 2024.
  - To provide that in case the unit is registered under the International Financial Services Centre Authority Act, 2019 then the copy of permission shall mean a copy of the registration obtained under the International Financial Services Centre Authority Act, 2019.
- It is proposed to amend Section 115AD to make the provision of this Section applicable to investment division of an offshore banking unit in the same manner as it applies to specified fund. However, the provisions of this Section shall apply to the extent of income that is attributable to the investment division of such banking unit as a Category-III portfolio investor under the Securities and exchange Board of India (Foreign Portfolio investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992), calculated in the prescribed manner.
- The expression 'investment' division of offshore banking unit is also proposed to have the meaning as defined in Para (iii).
- These amendments will take effect from 1 April 2022 and will accordingly apply to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

These proposed amendments are in line with the Government's vision to promote IFSC and making it attractive for foreign investors. Accordingly, during the past few years, several benefits have been introduced under the Income-tax Act to make IFSC more attractive as a business enterprise. This budget is no different.

This is a welcome move as India has a potential to a financial services hub like Singapore, London, New York City etc. the Geographical location of India makes it a perfect place between the east and the west and India is positioned to bridge the gap that is caused between Singapore and London being UTC ±8 hours.

Issuance of zero-coupon bond by infrastructure debt fund

- In order to enable infrastructure debt fund [which are notified by the Central Government in the Official Gazette under Section 10(47) of the Income-tax Act to issue zero coupon bond necessary amendments are proposed in Section 2 (48) of the Income-tax Act. Rules 2F and 8B of Income-tax Rules shall be amendment subsequently after the Finance Bill, 2021 is enacted.
- This amendment will take effect from 1 April 2022 and will accordingly apply to the assessment year 2022-2023 and subsequent assessment years.
- Consequential amendment has also been proposed in Section 194A(3)(x) of the Income-tax Act which will take effect from 1 April 2021.

Vedya analysis

A zero-coupon bond is a debt security that does not have to pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full-face value. The difference between the purchase price of a zero-coupon bond and the full-face value, indicates the investor's return the zero-coupon bonds are an attractive investment option, and this move will benefit debt investments in the infrastructure sector over a period.

One-time exemption for LTC Cash Scheme

- Section 10(5) of the Income-tax Act provides for exemption in respect of the value of travel concession or assistance received by or due to an employee from his employer or former employer for himself and his family, in connection with his proceeding on leave to any place in India. Given the situation arising out of the outbreak of Covid pandemic, it is proposed to provide tax exemption to cash allowance in lieu of LTC.
- Hence, it is proposed to insert the second proviso to in Section 10(5), to provide that, for the assessment year beginning on the 1 April 2021, the value in lieu of any travel concession or assistance received by, or due to, an individual shall also be exempt under this clause subject to fulfilment of certain conditions.
- It is also proposed to clarify by way of an Explanation that where individual claims and is allowed exemption under the second proviso in connection with prescribed expenditure, no exemption shall be allowed under this clause in respect of same prescribed expenditure to any other individual.
- The proposed conditions for this purpose shall be prescribed in the Income-tax Rules in due course and shall *inter alia* be as under:
- (u) The employee exercises an option for the deemed LTC fare in lieu of the applicable LTC in the block year 2018-2021;
  - Specified expenditure means expenditure incurred by an individual or a member of his family during the specified period on goods or services which are liable to tax at an aggregate rate of 12% or above under various GST laws and goods are purchased or services procured from GST registered vendors / service providers;
  - Specified period means the period commencing from 12 October 2020 and ending on 31 March 2021;
  - The amount of exemption shall not exceed INR 36,000 per person or one-third of specified expenditure, whichever is less;
  - The payment to GST registered vendor / service provider is made by an account payee cheque drawn on a bank or account payee bank draft, or use of electronic clearing system through a bank account or such other electronic mode as prescribed under Rule 6ABBA and a tax invoice is obtained from such vendor / service provider;
  - If the amount received by, or due to an individual as per the terms of his employment, from his employer in relation to himself and his family, for the LTC is more than what is allowable to such person under the above-discussed provisions, the exemption under the proposed amendment would be available only to the extent of exemption admissible under above-listed provisions.
- These amendments will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 only.

Vedya analysis

This one-time exemption shall provide relief to employees, on the amount given to an employee in lieu of LTC cash scheme subject to incurring of specified expenditure.

Facilitating strategic disinvestment of PSUs

Section 2(19AA) of the Income-tax Act provides the definitions for the purposes of the Income-tax Act. The said Section defines that 'demerger', in relation to companies, means the transfer, pursuant to a scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 (1 of 1956), by a demerged company of its one or more undertakings to any resulting company on satisfaction of conditions prescribed in the said clause.

Section 72A of the Income-tax Act provides provisions relating to carry forward and setoff of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc. Section 72A(1) of the Income-tax Act provides that the accumulated loss and unabsorbed depreciation of the amalgamating company or companies shall be deemed to be the accumulated losses and unabsorbed depreciation of the amalgamated company or companies in specified cases and subject to the conditions specified in the said section.

It is proposed to relax the provisions of these two sections for public sector companies in order to facilitate strategic disinvestment by the Government. Accordingly, it is proposed to carry out the following amendments:

- It is proposed to amend Section 2(19AA) of the Income-tax Act to insert Explanation 6 to clarify that the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if.
  - Such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resultant company; and
  - The resultant company is a public sector company on the appointed date indicated in the scheme approved by the Government or any other body authorized under the provisions of the Companies Act, 2013 or any other Act governing such public sector companies in this behalf; and
  - Fulfils such other conditions as may be notified by the Central Government in the Official Gazette.
- It is proposed to amend Section 72A(1) of the Income-tax Act,
  - To substitute clause (c) to provide that the provision of Section 72A(1) shall also apply in case of amalgamation of one or more public sector company or companies with one or more public sector company or companies.
  - To insert clause (d) to provide that the provision of Section 72A(1) shall also apply in case of amalgamation of an erstwhile public sector company with one or more company or companies, if.
    - the share purchase agreement executed under strategic disinvestment restricted immediate amalgamation of the said public sector company; and
    - the amalgamation is carried out within five year from the end of the previous year in which the restriction on amalgamation in the share purchase agreement ends.
  - To insert a proviso to sub-Section (1) to provide that the accumulated loss and the unabsorbed depreciation of the amalgamating company, in case of an amalgamation referred to in clause (d), which is deemed to be loss or, as the case may be, allowance for unabsorbed depreciation of the amalgamated company shall not be more than the accumulated loss and unabsorbed depreciation of the public sector company as on the date on which the public sector company ceases to be a public sector company as a result of strategic disinvestment;
- To insert an Explanation to sub-Section (1) to define the followings:
  - 'Control' shall have the same meaning as assigned to in Section 2(27) of the Companies Act, 2013;
  - 'Erstwhile public sector company' means a company which was a public sector company in earlier previous years and ceases to be a public sector company by way of strategic disinvestment by the Government.
  - 'Strategic disinvestment' shall mean sale of shareholding by the Central Government or any State Government in a public sector company which results in reduction of its shareholding to below 51%, along with transfer of control to the buyer.

- These amendments will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

The proposed amendments are in lines with the Governments on going plan to disinvestment in Public Sector Undertakings, these amendments will facilitate strategic disinvestment of loss-making PSU's by allowing the carry forward and set-off of losses of public sector companies upon their amalgamation.

The disinvestment in PSU comes will a lot of criticism and arguments of disharmony of the social structure of a welfare state, however this argument holds no steam in 2021, in a free market any PSU should operate as a viable business and not a social enterprise, since they are competing with private enterprises, to quote a few suggestion SBI is competing with HDFC Bank, the loss of market share would erode the value of such companies as we can see in the case of Air India. The Governments business should be kept separate from the business of the PSU and the funds and profits the Government derives from such PSU may be utilized in the welfare schemes of the Government.

Tax neutral conversion of Urban Cooperative Bank into banking company

- Section 44DB of the Income-tax Act provides for computing deductions in the case of business re-organization of cooperative banks. Further, the said section *inter alia* provides that where such business reorganization of co-operative banks takes place, the deductions under Sections 32, 35D, 35DD and 35DDA will be apportioned between the predecessor co-operative bank and the successor co- operative bank in the proportion of the number of days before and after the date of business reorganization. Further transfer of a capital asset by the predecessor co- operative bank to the successor co-operative bank, as well as transfer of shares by the shareholders in the predecessor co-operative bank, in a case of business reorganization under Section 47 of the Income-tax Act, is also not regarded as transfer.
- The Reserve Bank of India ('RBI') has permitted voluntary transition of primary co- operative bank [urban co-operative banks ('UCB')] into a banking company by way of transfer of assets and liabilities vide its Circular dated 27 September 2018.
- It is now proposed to expand the scope of business reorganization to include conversion of a primary co-operative bank to a banking company and the deductions available under Section 44DB of the Income-tax Act shall also be made applicable in relation to such conversion of primary co-operative bank to the banking company. Further it is also proposed that transfer of a capital asset by the primary co-operative bank to the banking company as a result of conversion shall not be treated as transfer under Section 47 of the Income-tax Act. Consequently, the allotment of shares of the converted banking company to the shareholders of the predecessor primary co-operative bank shall not be treated as transfer under the said Section of the Income-tax Act.
- These amendments will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Exemption for certain category of senior citizen from filing of income-tax return

- Section 139 (1) of the Income-tax Act provides that every person being an individual, if his total income or the total income of any other person in respect of which he is assessable under the Income-tax Act during the previous year exceeded the maximum amount which is not chargeable to income-tax, shall, on or before the due date, furnish a return of his income.
- In order to provide relief to senior citizens who are of the age of 75 year or above and to reduce compliance for them, it is proposed to insert a new Section to provide a relaxation from filing the return of income, if the following conditions are satisfied:
  - The senior citizen is resident in India and of the age of 75 or more during the previous year;
  - The senior citizen has pension income and no other income. However, in addition to such pension income the senior citizen may have also had interest income from the same bank in which the pension income is being received;
  - This bank is a specified bank. The Government will be notifying a few banks, which are banking company, to be the specified bank; and
  - The senior citizen shall be required to furnish a declaration to the specified bank. The declaration shall be containing such particulars, in such form and verified in such manner, as may be prescribed.
- Once the declaration is furnished, the specified bank would be required to compute the income of such senior citizen after giving effect to the deduction allowable under Chapter VI-A and rebate allowable under Section 87A of the Income-tax Act, for the relevant assessment year and deduct income tax on the basis of rates in force. Once this is done, there will not be any requirement of furnishing return of income by such senior citizen for this assessment year.
- This amendment will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

Though the intent of the Government seems to be upright, however the added complexities involved of furnishing a declaration to the 'specified bank', would not provide any major relief to such senior citizens who would now have to make such declaration to the specified bank instead of the Income tax department. Furthermore, most senior citizens have more than one bank account which would, make them ineligible for such a relief.

The exemption from filing of tax returns by senior citizens would benefit a small number of senior citizens as most of the senior citizens would be not be eligible from the benefit being provided.

Relief from double taxation of income from notified overseas retirement fund

In order to remove genuine hardship of assessees, it is proposed to insert a new Section 89A to the Income-tax Act to provide that the income of a specified person from specified account shall be taxed in the manner and in the year as prescribed by the Central Government. It is also proposed to define the following expressions:

- 'Specified person', as a person resident in India who opened a specified account in a notified country while being non-resident in India and resident in that country.
- 'Specified account' is proposed to be defined as an account maintained in a notified country which is maintained for retirement benefits and the income from such account is not taxable on accrual basis and is taxed by such country at the time of withdrawal or redemption.
- 'Notified country' is proposed to be defined to mean a country notified by the Central Government for the purposes of this Section in the Official Gazette.
- This amendment will take effect from 1 April 2022 and will accordingly apply to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

The proposed amendments will provide a welcome relief to non-resident Indians returning India, with respect to their accrued incomes in their foreign retirement accounts and hardship of double taxation.

Rationalization of provisions relating to a tax audit in certain cases

- Under Section 44AB of the Income-tax Act, every person carrying on business is required to get his accounts audited, if his total sales, turnover or gross receipts, in business exceed or exceeds INR 1 crore in any previous year. In case of a person carrying on the profession he is required to get his accounts audited, if his gross receipt in profession exceeds, INR 50 lakh in any previous year.
- In order to reduce the compliance burden on small and medium enterprises, the threshold limit for a person carrying on business was increased from by way of the Finance Act 2020, from INR 1 crore to INR 5 crore in cases where:
  - The aggregate of all receipts in cash during the previous year does not exceed 5% of such receipt; and
  - The aggregate of all payments in cash during the previous year does not exceed 5% of such payment.
- Now, in order to incentivize non-cash transactions to promote digital economy and to further reduce compliance burden of small and medium enterprises, it is proposed to increase the threshold from INR 5 crore to INR 10 crore in cases listed above.
- These amendments will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

The Raising of limit for tax audit will help small and medium enterprises and reduce the compliance cost. However, the limit for professions seems to have been ignored once again.

Limited time increase in safe harbor limit of 10% under Sections 43CA, 50C and 56 to 20%

- Section 43CA of the Income-tax Act *inter alia* provides that where the consideration declared to be received or accruing as a result of the transfer of land or building or both, is less than the value adopted or assessed or assessable by any authority of a State Government (i.e. stamp valuation authority) for the purpose of payment of stamp duty in respect of such transfer, the value so adopted or assessed or assessable shall for the purpose of computing profits and gains from transfer of such assets, be deemed to be the full value of consideration. The said Section also provides that where the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed 110% of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration.
- Section 56(2)(x) of the Income-tax Act *inter alia* provides that where any person receives, in any previous year, from any person or persons on or after 1 April 2017, any immovable property, for a consideration which is less than the stamp duty value of the property by an amount exceeding INR 50,000 the stamp duty value of such property as exceeds such consideration shall be charged to tax under the head 'income from other sources'. It also provides that where the assessee receives any immovable property for a consideration and the stamp duty value of such property exceeds 10% of the consideration or INR 50,000, whichever is higher, the stamp duty value of such property as exceeds such consideration shall be charged to tax under the head 'Income from other sources'.
- In order to boost the demand in the real-estate sector and to enable the real-estate developers to liquidate their unsold inventory at a lower rate to home buyers, it is proposed to increase the safe harbor threshold from existing 10% to 20% under Section 43CA of the Income-tax Act, if the following conditions are satisfied: -
  - The transfer of residential unit takes place during the period from 12 November 2020 to 30 June 2021.
  - The transfer is by way of first-time allotment of the residential unit to any person.
  - The consideration received or accruing as a result of such transfer does not exceed INR 2 crore.
- Further it is proposed to provide the consequential relief to buyers of these residential units by way of amendment in Section 56(2)(x) of the Income-tax Act by increasing the safe harbor from 10% to 20%. Accordingly, for these transactions, circle rate shall be deemed as sale / purchase consideration only if the variation between the agreement value and the circle rate is more than 20%.

- This amendment will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

These provisions will boost the demand in the real-estate sector and to enable the real-estate developers to liquidate their unsold inventory at a lower rate to home buyers.

Advance tax instalment for dividend income

- Section 234C of the Income-tax Act provides for payment of interest by an assessee who does not pay or fails to pay on time the advance tax instalments as per Section 208 of the Income-tax Act. The assessee is liable to pay a simple interest @1% per month for a period of three months on the amount of shortfall calculated with respect to the due dates for advance tax instalments.
- The first proviso of the sub Section (1) provides for the relaxation that if the shortfall in the advance tax instalment or the failure to pay the same on time is on account of the income listed therein, no interest under Section 234C shall be charged provided the assessee has paid full tax in subsequent advance tax instalments. These exclusions are: -
  - The amount of capital gains; or
  - Income of the nature referred to in Section 2(24)(ix); or
  - Income under the head 'Profits and gains of business or profession' in cases where the income accrues or arises under the said head for the first time; or
  - Income of the nature referred to in Section 115BBDA(1).
- It is now proposed to include dividend income in the above exclusion but not deemed dividend as per sub-clause (e) of clause (22) of Section 2 of the Income-tax Act.
- This amendment will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

The aforesaid relaxation will insulate the taxpayers from payment of interest under Section 234C of the Income-tax Act in cases where accurate determination of advance tax liability is not possible due to the intrinsic nature of the income.

Reducing time to file belated return and to revise original return and also to remove difficulty in cases of defective returns

- Sub-sections (4) and (5) of Section 139 of the Income-tax Act contain provisions relating to the filing of belated and revised returns of income, respectively. The belated or revised returns under sub-sections (4) and (5) respectively of the said Section at present could be filed before the end of the assessment year or before the completion of the assessment whichever is earlier. With the massive technological upgrade in the Department where the processes under the Income-tax Act are moving towards becoming faceless and jurisdiction-less, the time taken to conduct and complete such processes has greatly reduced. Therefore, it is proposed that the last date for filing of belated or revised returns of income, as the case may be, be reduced by three months. Thus, the belated return or revised return could now be filed three months before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.
- Section 139(9) of the Income-tax Act lays down the procedure for curing a defective return. It provides that in case a return of income is found to be defective, the assessing officer will intimate the defect to the assessee and give him a period of 15 days or more to rectify the said defect and if the defect is not rectified within the said period, the return shall be treated as an invalid return and the assessee will be considered to have never filed a return of income.
- It is proposed that a proviso be inserted to the said Explanation empowering the Board to specify, vide notification that any of the above conditions shall not apply for a class of assessee or shall apply with such modifications, as maybe specified in such notification.
- These amendments will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment year.

Extending due date for filing return of income in some cases

- Section 5A of the Income-tax Act provides for taxation of spouses governed by Portuguese Civil Code. On account of this provision any income earned by a partner of a firm whose accounts are required to be audited shall be apportioned between the spouses and included in their total income if the Section 5A applies to them.
- Since the total income of a partner can be determined after the books of accounts of such firm have been finalized, the due dates of partners are already aligned with the due date of the firm. However, this relaxation is not there for spouse of such partner to whom Section 5A of the Income-tax Act applies. Therefore, it is proposed that the due date for the filing of original return of income be extended to 31st October of the assessment year in case of spouse of a partner of a firm whose accounts are required to be audited under the Income-tax Act or under any other law for the time being in force if the provisions of Section 5A applies to them.
- Further, in the case of a firm which is required to furnish report from an accountant for entering into international transaction or specified domestic transaction, as per Section 92E of the Income-tax Act, the due date for filing of original return of income is the 30th of November of the assessment year. Since the total income of such partner can be determined after the books of accounts of such firm have been finalized, it is proposed that the due date of such partner be extended to 30th November of the assessment year.

Relief to small charitable trusts running educational institutions and hospitals

- Section 10 (23C) (iiiad) provides for the exemption for the income received by any person on behalf of university or educational institution subject to the condition that the annual receipts of such university or educational institution do not exceed the annual receipts as may be prescribed.
- Similarly, Section 10 (23C) (iiiae) provides for the exemption for the income received by any person on behalf of hospital or institution subject to the condition that the annual receipts of such hospital or institution do not exceed the annual receipts as may be prescribed. The presently prescribed limit for these two sub-clauses is INR 1 crore as per Rule 2BC of the Income-tax Rule.
- In order to provide benefit to small trust and institutions, it has been proposed that the exemption under sub-clause (iiiad) and (iiiae) shall be increased to INR 5 crore and such limit shall be applicable for an assessee with respect to the aggregate receipts from university or universities or educational institution or institutions as referred to in sub-clause (iiiad) as well as from hospital or hospitals or institution or institutions as referred to in sub-clause (iiiae).
- This amendment will take effect from 1 April 2022 and will accordingly apply to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

These proposed amendments will allow small charitable trusts running educational institutions and hospitals, have more funds for their relevant activities and reduce the compliance burden on such charitable trusts.

Rationalization of provisions of Minimum Alternate Tax ('MAT')

- Section 115JB of the Income-tax Act provides for MAT @15% of its book profit, in case tax on the total income of a company computed under the provisions of the Income-tax Act is less than the 15% of book profit. Book profit for this purpose is computed by making certain adjustments to the profit disclosed in the profit and loss account prepared by the company in accordance with the provisions of the Companies Act, 2013.
- It is now proposed to:
    - That in cases where past year income is included in books of account during the previous year on account of an APA or a secondary adjustment, the assessing officer shall, on an application made to him in this behalf by the assessee, recompute the book profit of the past year(s) and tax payable, if any, during the previous year, in the prescribed manner. Further, the provision of Section 154 of the Income-tax Act shall apply so far as possible and the period of four years specified in Section 154(7) of shall be reckoned from

- the end of the financial year in which the said application is received by the assessing officer.
- To provide similar treatment to dividend as already there for capital gains on transfer of securities, interest, royalty and Fee for Technical Services ('FTS') in calculating book profit for the purposes of Section 115JB of the Income-tax Act, so that both specified dividend income and the expense claimed in respect thereof are reduced and added back, while computing book profit in case of foreign companies where such income is taxed at lower than MAT rate due to DTAA.
- This amendment will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

The proposed amendments will exempt dividend payment from levy of MAT for foreign company if the applicable the applicable tax rate as per the DTAA is less than the rate of MAT.

Exemption of TDS on payment of dividend to business trust in whose hand dividend is exempt

- Section 194 of the Income-tax Act provides for deduction of tax at source ('TDS') on payment of dividends to a resident. The second proviso to this Section provides that the provisions of this Section shall not apply to such income credited or paid to certain insurance companies or insurers. It is proposed to amend second proviso to Section 194 of the Income-tax Act to further provide that the provisions of this Section shall also not apply to such income credited or paid to a business trust by a special purpose vehicle or payment of dividend to any other person as may be notified.
- This amendment will take effect retrospectively from 1 April 2020.

Rationalization of the provision concerning withholding on payment made to Foreign Institutional Investors ('FIIs')

- Section 196D of the Income-tax Act provides for deduction of tax on income of FII from securities as referred to in clause (a) of sub-Section (1) of Section 115AD of the Income-tax Act (other than interest referred in Section 194LD of the Income-tax Act) @20%.
- Since the said Section provides for TDS at a specific rate indicated therein, the deduction is to be made at that rate and the benefit of DTAAs cannot be availed.
- Accordingly, it is proposed to insert a proviso to Section 196D(1) of the Income-tax Act to provide that in case of a payee to whom a DTAA referred to in Section 90(1) or Section 90A(1) applies and such payee has furnished the tax residency certificate referred to in Section 90(4) or Section 90A(4) of the Income-tax Act, then the tax shall be deducted @20% or rate or rates of income tax provided in such agreement for such income, whichever is lower.
- This amendment will take effect from 1 April 2021.

Vedya analysis

The proposed amendment now resolves the ambiguity around applicability of the beneficial rate of tax for dividend income of FIIs and in lines with the decision of the Supreme Court in the case of *PILCOM vs. CIT West Bengal* (Civil appeal no. 5749 of 2012).

Rationalization of provisions related to Sovereign Wealth Fund ('SWF') and Pension Fund ('PF')

Section 10(23FE) of the Income-tax Act provides for the exemption to specified persons from the income in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India. Specified persons are SWF or PF which fulfils conditions prescribed therein and are specified for this purpose by the Central Government through notification in the Official Gazette.

This provision was introduced through the Finance Act, 2020 to encourage investments of SWF and PF into infrastructure sector of India. Subsequent to enactment, a notification was also issued to enlarge the scope of infrastructure activities eligible for investments. In order to rationalize the provision of this clause and to remove the difficulties in meeting some of the conditions, the followings amendments are proposed in the Bill:

- Allowing Alternate Investment Fund ('AIF') to invest up to 50% in non-eligible investments.
- Presently SWF / PFs may invest in a Category-I or Category-II Alternative Investment Fund, having 100%

investment in eligible infrastructure company. It is proposed to:

- Relax the condition of 100% to 50%.
- Allow the investment by Category-I or Category-II AIF in an Infrastructure Investment Trust ('InvIT').
- Exemption under this clause shall be calculated proportionately, in case if aggregate investment of AIF in infrastructure company or companies or in InvIT is less than 100%.

- Investment through holding company, subject to the following conditions:
  - Holding company should be a domestic company.
  - It should be set up and registered on or after 1 April 2021.
  - It should have minimum 75% investments in one or more infrastructure companies.
  - Exemption under this clause shall be calculated proportionately, in case if aggregate investment of holding company in infrastructure company or companies is less than 100%.
- Investment in NBFC- IDF / IFC (non-banking finance company-infrastructure debt fund / Infrastructure finance company), subject to the following conditions:
  - NBFC-IDF / IFC should have minimum 90% lending to one or more infrastructure entities.
  - Exemption under this clause shall be calculated proportionately, in case if aggregate lending of NBFC-IDF or NBFC-IFC in infrastructure company or companies is less than 100%.
- Presently, SWF / PFs are not allowed to undertake any commercial activity. This condition is proposed to be removed and replaced with a condition that SWF / PFs shall not participate in day-to-day operation of investee.
- Presently, some PFs are liable to tax in their country though given exemption subsequently. It is proposed to amend this sub-clause to provide that if pension fund is liable to tax but exemption from taxation for all its income has been provided by the foreign country under whose laws it is created or established, then such pension fund shall also be eligible.
- This amendment will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

The proposed amendments have been introduced to incentivize a greater number of SWF / PF to invest in Indian Infrastructure, the relaxed conditions include prohibition on loans or borrowings, restriction on commercial activities, direct investment in entity owning infrastructure, etc.

Taxation of proceeds of high premium Unit Linked Insurance Policy ('ULIP')

Section 10(10D) of the Income-tax Act provides for the exemption for the sum received under a life insurance policy, including the sum allocated by way of bonus on such policy in respect of which the premium payable for any of the years during the terms of the policy does not exceed 10% of the Income-tax Actual capital sum assured.

Under the existing provisions of the Income-tax Act, there is no cap on the amount of annual premium being paid by any person during the term of the policy. Hence, it is proposed to provide for the followings by inserting proviso to Section 10(10D) of the Income-tax Act:

- Insert fourth proviso to provide that the exemption under this clause shall not apply with respect to any ULIP issued on or after the 1 February 2021, if the amount of premium payable for any of the previous year during the term of the policy exceeds INR 2,50,000.
- Insert fifth proviso to provide that, if premium is payable by a person for more than one ULIPs, issued on or after the 1 February 2021, exemption under this clause shall be available only with respect to such policies aggregate premium whereof does not exceed the amount of INR 2,50,000, for any of the previous years during the term of any of the policy.
- Insert sixth proviso clause providing that the provisions of fourth and fifth provisos shall not apply to any sum received on the death of a person.
- Insert seventh proviso to enable CBDT to issue guidelines with the approval of Central Government for the purpose of removing the difficulty and to lay every guideline issued by the Board before each House of Parliament and to make it binding on the income-tax authorities and the assessee.
- Provide that a ULIP [to which exemption under Section 10(10D) of the Income-tax Act does not apply on account of the applicability of the fourth and fifth proviso] is a capital asset under Section 2(14) of the Income-tax Act.
- Provide for the deemed taxation of profit and gains from the redemption of ULIP [to which exemption under Section 10(10D) of the Income-tax Act does not apply on account of the applicability of the fourth and fifth proviso] as capital gains by inserting new sub-Section (1B) in Section 45 and to take power to prescribe rules for calculation of such capital gains.
- Include such ULIPs [to which exemption under Section 10(10D) of the Income-tax Act does not apply on account of the applicability of the fourth and fifth proviso] in the definition of equity-oriented fund in Section 112A so as to provide them same treatment as unit of equity-oriented fund. Thus, provisions of Sections 111A and 112A would apply on sale / redemption of such ULIPs.
- These amendments will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.
- Consequential amendment has also been proposed in Finance (No. 2) Act, 2004 to make security transaction tax applicable on maturity or partial withdrawal with respect to unit linked insurance policy issued by insurance company on or after the 1 February 2021 [to which exemption under Section 10(10D) of the Income-tax Act does not apply on account of the applicability of the fourth and fifth proviso]
- This amendment will take effect from 1 February 2021.

Vedya analysis

These amendments will restrict high net worth individuals who are claiming exemption under this clause by investing in ULIP with huge premium. Allowing such exemption in policy / policies with huge premium defeats the legislative intent of this clause. The intention was to provide benefit to small and genuine cases of life insurance.

Taxability of interest on various funds where income is exempt

- Section 10(11) of the Income-tax Act provides for exemption with respect to any payment from a provident fund to which the Provident Funds Act, 1925 (19 of 1925) applies or from any other provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette. Similarly, Section 10(12) of this Section provides for exemption with respect to the accumulated balance due and becoming payable to an employee participating in a recognized provident fund, to the extent provided in Rule 8 of Part A of the Fourth Schedule.

- It is now proposed to insert proviso to clause(11) and clause (12) of Section 10 of the Income-tax Act, providing that the provisions of these clauses shall not apply to the interest income accrued during the previous year in the account of the person to the extent it relates to the amount or the aggregate of amounts of contribution made by the person exceeding INR 2,50,000 in a previous year in that fund, on or after 1 April 2021, computed in such manner as may be prescribed.
- These amendments will take effect from 1 April 2022 and shall apply to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

The amendment has taken away a favorable tax saving method used by HNI, who used to contribute large amounts of money to PF in order to gain tax free interest. It should also be understood that tax payment on the provident fund as well as the tax exemption on the same is a burden on the Government funds.

These proposed amendments would affect less than 1% of the contributors and mostly to HNI and not regular salaried taxpayers.

Rationalization of provision of transfer of capital asset to partner on dissolution or reconstitution

- The existing provisions of Section 45 of the Income-tax Act *inter alia* provides that any profits or gains arising from the transfer of a capital asset shall be chargeable to income-tax under the head Capital gains and shall be deemed to be the income of the previous year in which such transfer takes place.
- Further Section 45(4) provides that the profits or gains arising from the transfer of a capital asset by way of distribution of capital assets on the dissolution of a firm or other association of persons or body of individuals (not being a company or a co-operative society) or otherwise, shall be chargeable to tax as the income of such firm or other association of persons or body of individuals of the previous year in which the said transfer takes place.
- Further, the fair market value of the asset on the date of such transfer shall be deemed to be the full value of the consideration for the purposes of Section 48.
- Now, it is proposed to substitute the existing Section 45(4) of the Income-tax Act with a new Section 45(4A).
- New proposed Section 45(4A) of the Income-tax Act applies in a case where a specified person who receives during the previous year any capital asset at the time of dissolution or reconstitution of the specified entity. The capital asset represents the balance in the capital account of such specified person in the books of the specified entity at the time of its dissolution or reconstitution. In this situation, the profit and gains arising from the receipt of such capital asset by the specified person shall be chargeable to income-tax as income of the specified entity under the head capital gains and shall be deemed to be the income of such specified entity of the previous year in which the capital asset was received by the specified person.
- The balance in the capital account of the specified person in the books of account of the specified entity is to be calculated without considering increase in the capital account of the specified person due to revaluation of any asset or due to self-generated goodwill or any other self-generated asset.
- For the purposes of this section
  - Specified person is proposed to be defined as a person who is partner of a firm or member of other association of persons or body of individuals (not being a company or a cooperative society), in any previous year;
  - Specified entity is proposed to be defined as a firm or other association of persons or body of individuals (not being a company or a cooperative society); and
  - Self-generated goodwill and self-generated assets are proposed to be defined as goodwill or asset, as the case may be, which has been acquired without incurring any cost for purchase or which has been generated during the course of the business or profession.
- Consequential amendment is also proposed in Section 48 of the Income-tax Act to provide that in case of specified entity, the amount included in the total income of such specified entity under sub-Section (4A) of Section 45 which is attributable to the capital asset being transferred,

shall be reduced from the full value of the consideration to compute income charged under the head capital gains.

- These amendments will be effective from the 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

These amendments will remove the uncertainty regarding applicability of provisions of aforesaid sub-Section to a situation where assets are revalued, or self- generated assets are recorded in the books of accounts and payment is made to partner or member which is in excess of his capital contribution.

Depreciation on goodwill

- Section 2(11) of the Income-tax Act defines 'block of assets' to mean a group of assets falling within a class of assets comprising, tangible assets, being buildings, machinery, plant or furniture and intangible assets, being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature, in respect of which the same percentage of depreciation is prescribed.
- Section 32(1) of the Income-tax Act provides for deduction on account of depreciation on tangible assets (Building, machinery, plant and furniture) and intangible assets (know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature) acquired on or after the 1 April 1998 which are owned, wholly or partly by the assessee which are used wholly and exclusively for the purpose of business and profession while computing the income under the head 'Profits and gains of business or profession'
- It is however some ambiguity around Goodwill of a business or a profession as the same has not been specifically provided as an asset either in the definition under Section 2 (11) of the Income-tax Act or in Section 32 of the Income-tax Act. Supreme Court in the case *Smiff Securities Limited* [(2012) 348 ITR 302 (SC)] held that the goodwill of a business is an asset within the meaning of Section 32 of the Income-tax Act and depreciation on goodwill is allowable under the said section.
- Thus, while Supreme Court has held that the goodwill of a business or profession is a depreciable asset, the Income-tax Actual calculation of depreciation on goodwill is required to be carried out in accordance with various other provisions of the Income-tax Act. Upon application of such provisions, in some situations (like that of business reorganization) there could be no depreciation on account of actual cost being zero and the written down value of that assets in the hand of predecessor / amalgamating company being zero.
- However, in some other cases (like that of acquisition of goodwill by purchase) there could be valid claim of depreciation on goodwill in accordance with the decision of Supreme Court holding goodwill of a business or profession as a depreciable asset.
- Goodwill, in general, is not a depreciable asset and in fact depending upon how the business runs; goodwill may see appreciation or in the alternative no depreciation to its value.
- In view of above is has been proposed propose that goodwill of a business or profession will not be considered as a depreciable asset and there would not be any depreciation on goodwill of a business or profession in any situation.
- In a case where goodwill is purchased by an assessee, the purchase price of the goodwill will continue to be considered as cost of acquisition for the purpose of computation of capital gains under Section 48 of the Income-tax Act subject to the condition that in case depreciation was obtained by the assessee in relation to such goodwill prior to the assessment year 2021-2022, then the depreciation so obtained by the assessee shall be reduced from the amount of the purchase price of the goodwill.
- Therefore, to give effect to the above decision, it has been proposed to,
  - Amend Section 2(11) of the Income-tax Act to provide that block of asset 'shall not include goodwill of a business or profession;
  - Amend Section 32(1) of the Income-tax Act to provide that goodwill of a business or profession shall not be considered as an asset for the purpose of the said clause and therefore not eligible for depreciation.

- Amend Section 50 of the Income-tax Act to provide that in a case where goodwill of a business or profession formed part of a block of asset for the assessment year beginning on the 1 April 2020 and depreciation has been obtained by the assessee under the Income-tax Act, the written down value of that block of asset and short-term capital gain, if any, shall be determined in the manner as may be prescribed.
- Amend Section 55 of the Income-tax Act by substituting sub- Section (2)(a) to provide that in relation to a capital asset, being goodwill of a business or profession, or a trade mark or brand name associated with a business or profession, or a right to manufacture, produce or process any article or thing, or right to carry on any business or profession, or tenancy rights, or stage carriage permits, or loom hours:
  - In the case of acquisition of such asset by the assessee by purchase from a previous owner, means the amount of the purchase price; and
  - In the case falling under sub-clause (i) to (iv) of Section 49(1) and where such asset was acquired by the previous owner (as defined in that section) by purchase, means the amount of the purchase price for such previous owner; and in any other case, shall be taken to be nil.
- Provide that in case of goodwill of business or profession acquired by the assessee by way of purchase from a previous owner [either directly or through modes specified under sub-clause (i) to (iv) of Section 49(1)] and any deduction on account of depreciation under Section 32 of the Income-tax Act has been obtained by the assessee in any previous year preceding the previous year relevant to the assessment year commencing on or after the 1 April 2021, then the cost of acquisition will be the purchase price as reduced by the depreciation so obtained by the assessee before the previous year relevant to assessment year commencing on 1 April 2021.
- These amendments will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

In order to override the settled position by of Supreme Court in the case of *Smiff Securities Limited* [(2012) 348 ITR 302 (SC)], and provide certainty, no depreciation on goodwill shall be allowed. However, the deduction for the amount paid for acquiring goodwill shall be allowed on sale of goodwill.

Rationalization of the provision of slump sale

- Section 50B of the Income-tax Act contains special provision for computation of capital gains in case of slump sale. Section 2(42C) of the Income-tax Act defines 'slump sale' to mean the transfer of one or more undertakings as a result of sale for lump sum consideration without value being assigned to individual assets and liabilities in such cases. This has been interpreted by some courts that transfer of an undertaking to qualify as a slump sale shall be my means of sale (as provided in Section 2(47) the Income-tax Act.
- In order to curb the use of that tax avoidance schemes, and clarify the intent of the legislature, it is proposed to amend the scope of the definition of the term slump sale by amending the provision of clause Section 2(42C) of the Income-tax Act so that all types of transfer as defined in Section 2(47) are included within its scope.
- These amendments will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Rationalization of the provision of presumptive taxation for professionals under Section 44ADA

- Section 44ADA of the Income-tax Act relates to special provision for computing profits and gains of profession on presumptive basis.
- Section 44ADA(1) provides that notwithstanding anything contained in Sections 28 to 43C, in case of an assessee, being a resident in India engaged in a profession referred to in Section 44AA(1) of and whose total gross receipts do not exceed INR 50 lakh in a previous year, a sum equal to 50% of the total gross receipts of the assessee in the previous year on account of such profession, or as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the assessee, shall be deemed to

be the profits and gains of such profession chargeable to tax.

- It is proposed to amend Section 44ADA(1) to provide that the provision of this Section shall apply to an assessee, being an individual, HUF or partnership firm, not being an LLP as defined under Section 2(1)(n) of Limited Liability Partnership Act, 2008.
- These amendments will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

This amendment is a clarification as the provisions of Section 44ADA of the Income-tax Act were not applicable to a Limited Liability Partnership ('LLP') as an LLP is required to maintain books of accounts in any case under LLP Act.

Payment by employer of employee contribution to a fund on or before due date

- Section 43B specifies the list of deductions that are admissible under the Income-tax Act only upon their actual payment. Employer's contribution is covered in Section 43B(b). According to it, if any sum towards employer's contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of the employees is actually paid by the assessee on or before the due date for furnishing the return of the income under Section 139(1), assessee would be entitled to deduction under Section 43B and such deduction would be admissible for the accounting year. This provision does not cover employee contribution referred to in Section 36(1)(va) of the Income-tax Act.
- Though Section 43B of the Income-tax Act covers only employer's contribution and does not cover employee contribution, some courts have applied the provision of Section 43B on employee contribution as well. There is a distinction between employer contribution and employee's contribution towards welfare fund. It may be noted that employee 's contribution towards welfare funds is a mechanism to ensure the compliance by the employers of the labour welfare laws. Hence, it needs to be stressed that the employer 's contribution towards welfare funds such as ESI and PF needs to be clearly distinguished from the employee 's contribution towards welfare funds. Employee 's contribution is employee own money, and the employer deposits this contribution on behalf of the employee in fiduciary capacity. By late deposit of employee contribution, the employers get unjustly enriched by keeping the money belonging to the employees. Clause (va) of sub-Section (1) of Section 36 of the Income-tax Act was inserted to the Income-tax Act vide Finance Act 1987 as a measure of penalizing employers who mis-utilize employee 's contributions.
- Accordingly, in order to provide certainty, it is proposed to:
  - Amend Section 36(1)(va) of the Income-tax Act by inserting another explanation to the said clause to clarify that the provision of Section 43B does not apply and deemed to never have been applied for the purposes of determining the due date under this clause; and
  - Amend Section 43B of the Income-tax Act by inserting Explanation 5 to the said Section to clarify that the provisions of the said Section do not apply and deemed to never have been applied to a sum received by the assessee from any of his employees to which provisions of sub-clause (x) of clause (24) of Section 2 applies.
  - These amendments will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

These proposed amendments intend to overturn the Supreme Court in CIT v. Vinay Cement Ltd. [(2007) 213 CTR (SC) 268], by denying the benefit of deduction, if the employers do not deposit employee's contribution to the welfare funds within the due dates prescribed under the respective legislations.

Definition of the term 'liable to tax'

- The Income-tax Act currently does not define the term 'liable to tax' though this term is used in Section 6, in Section 10(23FE) and various agreements executed under Section 90 or Section 90A of the Income-tax Act. Hence, it is proposed to insert clause (29A) to Section 2 of the Income-tax Act providing its definition. The term liable to tax in relation to a person means that there is a liability of tax on that person under the law of any country and will include a case where subsequent to imposition of such tax liability, an exemption has been provided.

- These amendments will take effect from 1 April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

This is a welcome move that provides clarity, certain ambiguity that arose under the Finance Act, 2020, wherein the Government made changes to the residency rules and added a new non-obstante clause. This proposed amendment is in lines with our previous interpretation of the clause as well as the subsequent judicial pronouncements on the subject.

Rationalization of the provisions of Equalization levy

- Under Section 165A of Finance Act, 2016, as inserted by Section 153 of the Finance Act, 2020, Equalization Levy is to be levied @2% of the amount of consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated, by it:
  - To a person resident in India; or
  - To a non-resident in the specified circumstances as referred to in sub-Section (3); or
  - To a person who buys such goods or services or both, using internet protocol address located in India.
- Section 10(50) of the Income-tax Act provides for the exemption for the income arising from any specified service provided on or after the date on which the provisions of Chapter VIII of the Finance Act, 2016 comes into force or arising from any e-commerce supply or services made or provided or facilitated on or after the 1 April 2021 and chargeable to Equalization levy under that Chapter.
- It is seen that there is need for some clarification to correctly reflect the intention of various provisions concerning this levy. Hence, it is proposed to carry out the following amendments in the Finance Act, 2016:
- Insert an Explanation to Section 163 of the Finance Act, 2016, clarifying that consideration received or receivable for specified services and consideration received or receivable for e-commerce supply or services shall not include consideration which are taxable as royalty or fees for technical services in India under the Income-tax Act read with the agreement notified by the Central Government under Section 90 or Section 90A of the Income-tax Act.
- Insert an Explanation to Section 164(cb) of the Finance Act, 2016, providing that for the purposes of defining e-commerce supply or service, online sale of goods and online provision of services shall include one or more of the following activities taking place online:
  - Acceptance of offer for sale;
  - Placing the purchase order;
  - Acceptance of the Purchase order;
  - Payment of consideration; or
  - Supply of goods or provision of services, partly or wholly
- Amend Section 165A of the Finance Act, 2016, to provide that consideration received or receivable from e-commerce supply or services shall include:
  - Consideration for sale of goods irrespective of whether the e-commerce operator owns the goods; and
  - Consideration for provision of services irrespective of whether service is provided or facilitated by the e-commerce operator.
  - These amendments will take effect retrospectively from 1 April 2020.
- It is also proposed to amend Section 10(50) of the Income-tax Act to:
  - Provide that Section 10(50) will apply for the e-commerce supply or services made or provided or facilitated on or after 1 April 2020.
  - Clarify that exemption under Section 10(50) will not apply for royalty or fees for technical services which is taxable under the Income-tax Act read with the agreement notified by the Central

Government under Section 90 or Section 90A of the Income-tax Act.

- Define e-commerce supply or services under Section 10(50) as the meaning assigned to it in Section 164(cb) of Chapter VIII of the Finance Act,2016.

- This amendment will take effect from 1 April 2021 and will accordingly apply to the assessment year 2021-2022 and subsequent assessment years.

Vedya analysis

In order to provide certainty, it is being expressly clarified that transaction taxable under income-tax are not liable for Equalization levy. Further, it is also proposed to clarify regarding applicability of Equalization levy on physical / offline supply of goods and services. While, this is a welcome clarification, there are many other issues in respect of Equalization levy that also could be clarified for a better application of law.

Provisional attachment in fake invoice cases

- Section 271AAD of the Income-tax Act was inserted vide the Finance Act, 2020, to impose penalty on a person or a person who causes such person to make a false entry or omit an entry from his books of accounts. It is an anti-abuse provision. Upon initiation of such penalty proceedings, it is highly likely that the taxpayer may also evade the payment of such penalty, if imposed. Hence, in order to protect the interest of revenue, it is proposed to amend the provision of Section 281B of the Income-tax Act to enable the assessing officer to exercise the powers under this Section during the pendency of proceedings for imposition of penalty under Section 271AAD of the Income-tax Act, if the amount or aggregate of amounts of penalty imposable is likely to exceed INR 2 crore.
- This amendment will take effect from 1 April 2021.

Vedya analysis

Such penal previous and wide powers to the tax authorities may entail undue hardship to taxpayers.

TDS / TCS on non-filer at higher rates

- Section 206AA of the Income-tax Act provides for higher rate of TDS for non-furnishing of PAN. Similarly, Section 206CC of the Income-tax Act provides for higher rate of TCS for non-furnishing of PAN.
- Now, it is proposed to insert a new Section 206AB in the Income-tax Act as a special provision providing for higher rate for TDS for the non-filers of income-tax return. Similarly, it is proposed to insert a Section 206CCA in the Income-tax Act as a special provision for providing for higher rate of TCS for non-filers of income-tax return.
- Proposed Section 206AB of the Income-tax Act would apply on any sum or income or amount paid, or payable or credited, by a person (herein referred to as deductee) to a specified person. This Section shall not apply where the tax is required to be deducted under Sections 192, 192A, 194B, 194BB, 194LBC or 194N of the Income-tax Act. The proposed TDS rate in this Section is higher of the followings rates:
  - Twice the rate specified in the relevant provision of the Income-tax Act; or
  - Twice the rate or rates in force; or
  - The rate of 5%
- If the provision of Section 206AA of the Income-tax Act is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this Section and in Section 206AA of the Income-tax Act.
- The proposed Section 206CCA of the Income-tax Act would apply on any sum or amount received by a person (herein referred to as collectee) from a specified person. The proposed TCS rate in this Section is higher of the following rates: -
  - Twice the rate specified in the relevant provision of the Income-tax Act; or
  - The rate of 5%
- If the provision of Section 206CC of the Income-tax Act is applicable to a specified person, in addition to the provision of this section, the tax shall be collected at higher of the two rates provided in this Section and in Section 206CC of the Income-tax Act.
- Specified person is a person who has not filed the returns of income for both of the two assessment years relevant

to the two previous years which are immediately before the previous year in which tax is required to be deducted or collected, as the case may be. Further the time limit for filing tax return under Section 139(1) of the Income-tax Act has expired for both these assessment years.

- Furthermore, the aggregate of tax deducted at source and tax collected at source in his case is INR 50,000 or more in each of these two previous years. However, specified person shall not include a non-resident who does not have a permanent establishment in India.
- Consequential amendment is proposed in Section 194-IB(4) of the Income-tax Act.
- This amendment will take effect from 1 July 2021.

Constitution of dispute resolution committee for small and medium taxpayers

In order to provide early tax certainty to small and medium taxpayers, it is proposed to introduce a new scheme for preventing new disputes and settling the issue at the initial stage.

The new scheme is proposed to be incorporated in a new Section 245MA and has the following features:

- The Central Government shall constitute one or more Dispute Resolution Committee ('DRC').
- This committee shall resolve disputes of such persons or class of person which shall be specified by the Board. The assessee would have an option to opt for or not opt for the dispute resolution through the DRC.
- Only those disputes where the returned income is INR 50 lakh or less (if there is a return) and the aggregate amount of variation proposed in specified order is INR 10 lakh or less shall be eligible to be considered by the DRC.
- If the specified order is based on a search initiated under Section 132 or requisition made under Section 132A or a survey initiated under 133A or information received under an agreement referred to in Section 90 or Section 90A, of the Income-tax Act, such specified order shall not be eligible for being considered by the DRC.
- Assessee would not be eligible for benefit of this provision if there is detention, prosecution or conviction under various laws as specified in the proposed section.
- Board will prescribe some other conditions in due course which would also need to be satisfied for being eligible under this provision.
- The DRC, subject to such conditions as may be prescribed, shall have the powers to reduce or waive any penalty imposable under the Income-tax Act or grant immunity from prosecution for any offence under the Income-tax Act in case of a person whose dispute is resolved under this provision.
- The Central Government has also been empowered to make a scheme by notification in the Official Gazette for the purpose of dispute resolution under this provision. The Central Government may, for the purposes of giving effect to the scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no such direction shall be issued after the 31 March 2023. Every such notification shall, as soon as may be after the notification is issued, be laid before each House of Parliament.
- This amendment will take effect from 1 April 2021.

Vedya analysis

The setting up of the DRC will aid in reducing litigation and to give an impetus to the dispute resolution for small taxpayers.

Discontinuance of Income-tax Settlement Commission

It is proposed to discontinue Income-tax Settlement Commission ('ITSC') and to constitute Interim Board of settlement for pending cases. The various amendments proposed are as under:

- ITSC shall cease to operate on or after 1 February 2021.
- No application for settlement of cases shall be made on or after 1 February 2021;
- All applications in respect of which no order was issued on or before the 31.1 2021 shall be treated as pending applications.
- Where in respect of an application, an order, which was required to be passed by the ITSC on or before the 31 January 2021 to declare an application invalid but such

order has not been passed on or before 31 January 2021, such application shall be deemed to be valid and treated as pending application.

- The Central Government shall constitute one or more Interim Board for Settlement (hereinafter referred to as the Interim Board), as may be necessary, for settlement of pending applications. Every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner, as may be nominated by the Board. If the Members of the Interim Board differ in opinion on any point, the point shall be decided according to the opinion of majority.
- On and from 1 February 2021, the provisions related to exercise of powers or performance of functions by the ITSC namely, provisional attachment, exclusive jurisdiction over the case, inspection of reports and power to grant immunity shall apply *mutatis mutandi* to the Interim Board.
- With respect to a pending application, the assessee who had filed such application may, at his option, withdraw such application within a period of three months from the date of commencement of the Finance Act, 2021, and intimate the assessing officer, in the prescribed manner, about such withdrawal.
- The Central Government may, for the purposes of giving effect to the said scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no such direction shall be issued after the 31 March 2023. Every such notification issued shall, as soon as may be after the notification is issued, be laid before each House of Parliament.
- These amendments will take effect from 1 February 2021.

Vedya analysis

Since a Dispute Resolution Committee is proposed to be constituted. Consequently, the Settlement Commission has become redundant. However, the pending cases shall be decided by an Interim Board if opted by the applicant. This also reflects on the Governments seriousness to prosecute serious tax offenders as the Dispute Resolution Committee has a limited to scope.

Faceless Income-tax Appellate Tribunal ('ITAT')

- In order to impart greater efficiency, transparency and accountability to the assessment process, appeal process and penalty process under the Income-tax Act a new faceless assessment scheme, faceless appeal scheme and faceless penalty scheme have already been introduced.
- Therefore, it is proposed a faceless scheme be launched for ITAT proceedings by way of a new sub-sections in the Section 255 of the Income-tax Act so as to provide that the Central Government may notify a scheme for the purposes of disposal of appeal by the ITAT so as to impart greater efficiency, transparency and accountability.
- This amendment will take effect from 1 April 2021.

Vedya analysis

This is a welcome move, it will not only reduce cost of compliance for taxpayers, increase transparency in disposal of appeals but will also help in achieving even work distribution in different benches resulting in best utilization of resources.

Constitution of the Board for Advance Ruling

- With a view to avoiding dispute in respect of assessment of tax liability and to provide tax certainty, a scheme of Advance Rulings was incorporated in the Income-tax Act vide the Finance Act, 1993 by inserting a new Chapter XIX-B. Under these provisions the Authority for Advance Rulings ('AAR') pronounces rulings on the applications of the non-resident / residents and such rulings are binding both on the applicants and the Tax department. AAR consists of a Chairman and various Vice-Chairman, revenue members and law members. As per experience, the posts of Chairman and Vice- Chairman have remained vacant for a long time due to non-availability of eligible persons who are retired supreme court and high court judges with relevant experience. This has curtailed the working of AAR and a large number of applications are pending since last many years.
- Hence, it is proposed to constitute a Board of Advance Ruling and to make the following amendments in the existing provisions of AAR:

- The Authority for Advance Rulings shall cease to operate with effect from such date, as may be notified by the Central Government in the Official Gazette.
- It is proposed that the Central Government shall constitute one or more Board for Advance Rulings for giving advance rulings under the said Chapter on and after the notified date.
- Every such Board shall consist of two members, each being an officer not below the rank of Chief Commissioner.
- Advance rulings of such Board shall not be binding on the applicant or the Department and if aggrieved, the applicant or the Department may appeal against the ruling or order passed by the Board before the High Court.
- Since the work of Authority shall be carried out by the Board for Advance Rulings on and after the notified date, amendments are proposed to be made to the various provisions of the Chapter to this effect. Suitable amendments have been proposed to Sections 245N, 245O, 245OB, 245P, 245Q and 245R.
- A new Section 245W is proposed to be inserted to provide for appeal to High Court against the order passed or ruling pronounced by the Board for Advance Ruling. This appeal can be filed by the applicant as well as by the Department.
- The Central Government may, for the purposes of giving effect to the scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no such direction shall be issued after the 31 March 2023. Every such notification shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

- These amendments will take effect from 1 April 2021.

Vedya analysis

The establishment of the Board for Advance Rulings will ensure faster disposal of cases, it is proposed to replace the Authority for Advance Rulings with a Board for Advance Rulings. It is also proposed to provide appeal against the order of such Board to the High Court.

Reduction in time for Income tax proceedings

Due to advancement of technology, assessment or reassessment or re-computation of income escaping assessment, to a large extent, is information driven. Thus, it is now proposed to adopt a new a procedure of assessment which would result in less litigation and would provide ease of doing business to taxpayers as there is a reduction in time limit by which a notice for assessment or reassessment or re-computation can be issued. The salient features of new procedure are as under:

- The provisions of Sections 153A and 153C, of the Income-tax Act are proposed to be made applicable to only search initiated under Section 132 of the Income-tax Act or books of accounts, other documents or any assets requisitioned under Section 132A of the Income-tax Act, on or before 31 March 2021.
- Assessments or reassessments or in re-computation in cases where search is initiated under Section 132 or requisition is made under Section 132A, after 31 March 2021, shall be under the new procedure.
- Before such assessment or reassessment or re-computation, a notice is required to be issued under Section 148 of the Income-tax Act, which can be issued only when there is information with the assessing officer which suggests that the income chargeable to tax has escaped assessment. Prior approval of specified authority is also required to be obtained before issuance of such notice by the assessing officer.
- Further, in search, survey or requisition cases initiated or made or conducted, on or after 1 April 2021, it shall be deemed that the assessing officer has information which suggests that the income chargeable to tax has escaped assessment in the case of the assessee for the three assessment years immediately preceding the assessment year relevant to the previous year in which the search is initiated, or requisition is made, or any material is seized or requisitioned, or survey is conducted.
- New Section 148A of the Income-tax Act proposes that before issuance of notice the assessing officer shall conduct enquiries, if required, and provide an opportunity

of being heard to the assessee. After considering his reply, the Assessing Office shall decide, by passing an order, whether it is a fit case for issue of notice under Section 148 and serve a copy of such order along with such notice on the assessee. The assessing officer shall, before conducting any such enquiries or providing opportunity to the assessee or passing such order, obtain the approval of specified authority.

- The time limitation for issuance of notice under Section 148 of the Income-tax Act is proposed to be provided in Section 149 of the Income-tax Act and is as below:
  - In normal cases, no notice shall be issued if three years have elapsed from the end of the relevant assessment year. Notice beyond the period of three years from the end of the relevant assessment year can be taken only in a few specific cases.
  - In specific cases where the assessing officer has in his possession evidence which reveal that the income escaping assessment, represented in the form of asset, amounts to or is likely to amount to INR 50 lakh or more, notice can be issued beyond the period of three year but not beyond the period of 10 years from the end of the relevant assessment year;
- The specified authority for approving enquiries, providing opportunity, passing order under Section 148A of the Income-tax Act and for issuance of notice under Section 148 of the Income-tax Act are proposed to be:
  - Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year;
  - Principal Chief Commissioner or Principal Director General or where there is no Principal Chief Commissioner or Principal Director General, Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.
- Once assessment or reassessment or re-computation has started the assessing officer is proposed to be empowered (as at present) to assess or reassess the income in respect of any issue which has escaped assessment, and which comes to his notice subsequently in the course of the proceeding under this procedure notwithstanding that the procedure prescribed in Section 148A was not followed before issuing such notice for such income.
- These amendments will take effect from 1 April 2021.

Reduction of time limit for completing assessment

- Section 153(1) of the Income-tax Act contains provides that the time-limit for passing an assessment order under Section 143 or 144 of the Income-tax Act shall be made within 12 months from the end of the assessment year in which the income was first assessable for assessment year 2019-2020 and subsequent assessment years vide the Finance Act, 2017.
- It is now proposed that the time limit for completion of assessment proceedings may be reduced further by three months. Thus, the time for completing of assessment is proposed to be nine months from the end of the assessment year in which the income was first assessable, for the A.Y. 2021-2022 and subsequent assessment years.
- This amendment will take effect from 1 April 2021.

Vedya analysis

Quick processing of returns will bring about certainty in income tax proceedings.

Rationalization of the provision relating to processing of returned income and issuance of notice under Section 143(2)

- The existing provisions of Section 143(1)(a) of the Income-tax Act provides that at the time of processing of return of income made under Section 139, or in response to a notice under Section 142(1), the total income or loss shall be computed after making the adjustments specified in clauses (i) to (vi) therein.
- It is proposed to amend the following provisions of Section 143(1) of the Income-tax Act:
  - Amend Section 143(1)(a)(iv) of the Income-tax Act, to allow for the adjustment on account of increase in income indicated in the audit report but not considered in computing the total income.
  - Amend Section 143(1)(a)(v) of the Income-tax Act so to give consequential effect to amendment carried out in Section 80AC vide Finance Act, 2018.

- Amend the provisions of Section 143 to reduce the time limit for sending intimation under Section 143(1) of the Income-tax Act from one year to nine months from the end of the financial year in which the return was furnished.
- Consequently, it is also proposed to reduce the time limit for issue of notice under Section 143(2) of the Income-tax Act from six months to three months from the end of the financial year in which the return is furnished.
- These amendments will take effect from 1 April 2021.

Allowing prescribed authority to issue notice under Section 142(1)(i)

- Section 142 of the Income-tax Act provides for conduct of inquiry before assessment by empowering the assessing officer to issue notice to an assessee, who has not submitted a return of income, asking for submission of return.
- In line with this policy, and in order to enable centralized issuance of notices etc. in an automated manner, it is proposed to amend the provisions of Section 142(1)(i) to empower the prescribed income-tax authority besides the assessing officer to issue notice under the said clause.
- This amendment will take effect from 1 April 2021.

Vedya analysis

This amendment is in lines with the conscious policy of making all the processes under the Income-tax Act, where physical interface with the assessee is required, fully faceless by eliminating person to person interface between the taxpayer and the Department.

Clarification regarding the scope of Vivad Se Vishwas Act, 2020

- With the objective of reducing pending income tax litigation, generating timely revenue for the Government and giving benefit to taxpayers by providing them peace of mind, certainty and savings on account of time and resources, the Direct Tax Vivad Se Vishwas Act, 2020 ('VsV') was enacted on 17 March 2020.
- The settlement provisions under the Income-tax Act provide for an alternate mechanism to a taxpayer who chooses to exit the regular process of assessment which would have resulted into determination of tax liability and instead approached the Income Tax Settlement Commission (ITSC) for settlement of his case under Chapter XIX-A of the Income-tax Act. As the VsV was enacted for the resolution of disputed tax and not for the taxes covered by an order in pursuance to the settlement of a case under Chapter XIX-A of the Income-tax Act, such cases as are covered by Chapter XIX-A of the Income-tax Act (whether they have attained finality or not) have always been, therefore, intended to be outside the purview of VsV.
- With a view to remove any ambiguity, it is proposed to amend the provisions of VsV to clarify the original legislative intent for which the definitions of 'appellant' in Section 2(1)(a), 'disputed tax' in Section 2(1)(j) and 'tax arrears' in Section 2(1)(o), of the VsV are proposed to be amended by way of removal of doubts by this Bill.
- The said amendments are proposed to take effect retrospectively from the 17 of March 2020.

Rationalization of the provision of charitable trust and institutions to eliminate possibility of double deduction while calculating application or accumulation

- Exemption to funds, institutions, trusts etc. carrying out religious or charitable activities is provided Section 10 (23C) of the Income-tax Act and sections 11 and 12 of the Income-tax Act. Under the existing provisions of the Income-tax Act, 1961, corpus donations received by trusts, institutions, funds, etc. are exempt.
- Since these entities are not allowed to accumulate more than 15% of their income or accumulate for specific purpose up to 5 years, other than corpus donations.
- In order to be tax compliant, entities claim the corpus donations to be exempt and at the same time claim their application as part of the mandatory 85% application from income other than such corpus. Similarly, entities take loans or borrowings and make application for charitable or religious purposes out of the proceeds of loans and borrowings. Such loans or borrowings when repaid, are again claimed as application. This results in unintended double deduction.

- Both these situations, at times, also result in paper loss which is claimed by the assessee as carry forward resulting in unintended short application (less than 85%) in following years.
- To ensure that there is no double counting while calculating application or accumulation, it has been proposed that:
  - Voluntary contributions made with a specific direction that it shall form part of the corpus shall be invested or deposited in one or more of the forms or modes specified in Section 11(5) is maintained specifically for such corpus.
  - Application out of corpus shall not be considered as application for charitable or religious purposes for the purposes of third proviso of clause (23C) and clauses (a) and (b) of Section 11.
  - Application from loans and borrowings shall not be considered as application for charitable or religious purposes for the purposes of third proviso of clause (23C) and clauses (a) and (b) of Section 11.
  - Clarify in both clause (23C) of Section 10 and Section 11 that for the computation of income required to be applied or accumulated during the previous year, no set off or deduction or allowance of any excess application, of any of the year preceding the previous year, shall be allowed.
- These amendments will take effect from 1 April 2022 and will accordingly apply to the assessment year 2022-2023 and subsequent assessment years.

Vedya analysis

Charitable trusts shall no longer be permitted to claim carry forward of loss. However, the loan repayment and replenishment of corpus shall be allowed as application.

Customs Act

- Section 25 – Conditional Customs duty exemptions granted to be valid for only two years from the date of grant or variation. For existing exemptions, period of two years commences from 1 February 2021.
- Section 114Ac – Penalty for fraudulently obtaining invoice to utilize input credit to be up to five times the refund claimed.
- Section 46 – Importers now required to submit Bill of Entry a day prior to the arrival of the vessel or aircraft. In some cases, the time limit may be relaxed to the end of the day when the vessel / aircraft arrives.
- Section 153 – An order, decision, summons, notice or any other communication now may be served on the common portal (Common Customs Electronic Portal).
- Section 113 – Any goods being improperly exported under a claim of remission / refund of any duty, tax or levy to be confiscated.
- Section 28BB (newly inserted) – Investigations where Show cause notice has been issued, for short payment, non-payment, non-levy of duty or short levy of duty, to be completed within two years (additional year may be granted). The time period excludes the period of stay granted by a court or tribunal. This is applicable to proceedings initiated after Finance Act, 2021.
- Section 154C inserted – Common portal to be called the Common Customs Electronic Portal, for facilitating registration, filing of bills of entry, shipping bills, other documents and prescribed forms, payment of duty and other purposes.
- Section 5 – Commissioner (Appeals) given the power to dispose appeals in relation to seizure of gold in any form, under section 110(1D) (newly inserted).

Amendments to Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017

- Technical amendments to the definitions provided. Benefit not available for providing aftersales services.
- Import of goods under said Rules now permitted in case manufacturing of goods is at the job workers premises. Details of goods sent and received from job worker to be provided by the importer.
- Procedure for movement of goods from manufacturer to job worker now prescribed.
- Importer to be responsible for movement of imported goods and use of such inputs at the job workers premises. In case of any violation by the job worker, the importer shall be held liable.
- Capital goods imported for manufacturing / provision of services may be cleared on payment of duty. Mechanism for computation of duty prescribed.
- Penalty for contravention of provisions may be up to INR 200,000.
- Amendments effective from 2 February 2021.

Customs Tariff Act

- Section 9(1B) – Where the Customs officers are of the opinion that absorption of CVD has taken place rendering the duty ineffective, the duty may be modified to counter the effect of such absorption from the date of inquiry.
- Section 9(2A) – CVD not to be applicable on imports by EOUs and SEZ units unless it is specifically applicable, or the goods are cleared as is or part of manufactured goods cleared to the DTA.
- Section 9(6) – Temporary revocation of CVD shall not be for more than one year.
- Section 9A amended to provide for similar provisions for ADD.

Agriculture Infrastructure and Development Cess

- AIDC would be levied for the purpose of financing the agriculture infrastructure and other development expenditure.
- On import of goods AIDC shall be levied in addition to any other Customs duties.
- On excisable goods, AIDC shall be levied in addition to any other duty specified under the Central Excise Act, 1944.
- AIDC on petrol is INR 2.5 / litre and on diesel is INR 4 / litre.
- AIDC is applicable from 1 February 2021.

Central Goods and Services Tax (amendments effective from the date of notification in the Official Gazette)

- Section 7 – Definition of supply amended w.e.f 1 July 2017 to include activities or transactions by a person (except individual) to its members and vice versa. This could have an impact on transactions between club and its members / constituents. This amendment, though clarificatory, now sheds light on transactions between AOPs / unincorporated consortiums and their members.
- Section 16(2) – Additional condition inserted for availment of input credit. The assessee may avail input credit of an invoice / debit note which has been furnished by the supplier.
- Section 35(5) – Provision for audit under the GST annual return now removed.
- Section 44 – GST annual return (Form GSTR-9C) to be self-certified.
- Section 50 – Proviso inserted w.e.f 1 July 2017 clarifying that interest on short payment of GST is applicable only on the amount paid in cash. This amendment is long awaited and should resolve many litigations on the matter of interest computation.
- Section 83 – Amendment introduced to empower the Commissioner to provisionally attach any property including bank account in case of proceedings arising from assessment, inspections, seizures, demands and recoveries.
- Section 107(6) – No appeal to Appellate authority to be accepted in case of detention and seizure of goods in transit, unless 25% of penalty assessed has been paid.
- Section 129
  - Penalty on seizure / detention of goods in transit in contravention of the GST laws, increased from 100% to 200% where the owner of the gods pays the penalty. In other cases, the higher of penalty of 50% of value of goods or 200% of GST payable.
  - Officer required to issue notice from the date of notice and pass an order within seven days from date of notice.
  - In case the amounts are unpaid after 15 days of issuance of order, the goods or conveyance may be sold. The conveyance may be released on payment of penalty or INR 100,000, whichever is less.

Integrated Goods and Services Tax (amendments effective from the date of notification in the Official Gazette)

- Section 16(1) – Supply to SEZ developer or unit only for authorized operations to qualify as zero-rated supply.
- Option to pay GST and claim refund on exports for notified supplies and taxpayers only.
- Section 16(3) – In case of non-receipt of sales proceeds exporters to deposit proportionate refund amount along with interest within 30 days after the time limit of receiving amounts under FEMA.

Central Excise

- Tariff entry 2710 12 49 substituted as '*M15 fuel conforming to standard IS 17076*' w.e.f 1 January 2020.
- Excise duty of 14% + INR 15 / litre imposed w.e.f 1 January 2020 on tariff entries 2710 20 10 (automotive diesel) and 2710 20 20 (diesel fuel blend).
- NCCD @25% applicable w.e.f 1 January 2022 on products intended for inhalation without combustion containing tobacco or reconstitute tobacco and others (tariff entries 2402 11 00 and 2402 19 00).

Central Sales Tax Act, 1956

Section 8(3) – Telecommunication network, mining and generation or distribution of electricity (or any other form of power) activities were earlier eligible for purchase of goods at concessional rate. The activities now stand deleted. This sub-Section now gives reference to goods specified Section 2(d) i.e. petroleum crude, diesel, petrol, natural gas, aviation turbine fuel and alcohol for human consumption. Accordingly, only petroleum and alcohol sector should be permissible to obtain goods at concessional rate. This should result in increased cost of production for the telecom and mining sectors and discoms.

Changes in Customs tariff applicable with immediate effect

Product	Old rate (%)	New rate (%)
Carbon black	5	7.5
Builders ware of plastics (tanks, doors, windows, shutters, etc.)	10	15
Safety glass (tempered and laminated)	10	15
Synthetic or reconstructed semiprecious stones	10	15
Compressors of any kind used in refrigerating equipment	12.5	15
Air compressors mounted on a wheeled chassis for towing	7.5	15
Gas compressors	7.5	15
Motors of an output not exceeding 37.5 watts	10	15
Universal AC or DC motors of an output exceeding 37.5 watts	10	15
Other DC motors, DC generators and other AC motors, multi-phase	10	15
Parts of electrical transformers, static convertors and inductors	10	15
Parts of electrical lighting or signaling equipment, windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles	10	15
Relays for a voltage not exceeding 60 volts and other relays	10	15
Boards, panels, consoles desks, cabinets and other bases, equipped with two or more apparatus, for electric control or the distribution of electricity	10	15
Ignition wiring sets and other wiring sets of kind used in vehicles, aircraft or ships	10	15
Measuring or checking instruments, appliances and machines, not specified or included elsewhere in Chapter 90	7.5	15
Electronic automatic and other regulators	10	15
Instrument panel clocks and clocks of a similar type for vehicles, aircraft, spacecraft or vessels	10	15

- Temporary withdrawal of ADD and CVD on various steel products imported from China and Indonesia w.e.f 2 February 2021.

Rate changes for Customs duty effective immediately

Product	Old rate (%)	New rate (%)
Raw silk	10	15
Silk yarn not put up for retail sale	10	15
Yarn spun from silk waste, not put up for retail sale	10	15
Silk yarn and yarn spun from silk waste, put up for retail sale; silk-worm gut	10	15
Cotton waste	Nil	10
Naphtha	4	2.5
Nylon chips	7.5	5
Various types of leather	Nil	10
Nylon fibre and yarn	7.5	5
Silver and gold	12.5	7.5
Other precious metals	12.5	10
Specified steel products	10-12.5	7.5
Inputs (other than PCBA and moulded plastics) for manufacture of charger or adapter of mobile phones	Nil	10
Inputs and parts of LED lights or fixtures including LED lamps	5	10
Solar inverters	5	20
Components / parts for manufacture of aircrafts or its parts, by PSUs under Ministry of Defence	2.5	Nil
High Speed Rail Projects being brought under project imports	Applicable rate	5

- AIDC imposed at various rates on food products (17.5% to 100%), chemicals (5%), silver (2.5%) and gold (2.5%).

- Social Welfare Surcharge charged @3% revoked for petrol, diesel, silver and gold.
- Social Welfare Surcharge exemption to marble and other stones crude or roughly trimmed or in blocks.
- Exemption withdrawn for specified products used in manufacture of transformers.
- Health Cess exemption provided to goods imported into India for execution of projects financed by the United Nations or an international organization and approved by the Government of India, and personal and household effects imported by foreign officials stationed at specified offices in India.
- High Speed Rail Projects are being included in list of projects to which Project Imports Scheme is applicable.
- National High Speed Rail Corporation Ltd. is being nominated as the 'Sponsoring Authority' under Project Import Regulations, 1986 for approving the items required to be imported under the Project Imports Scheme for High-Speed Rail Projects.

Rate changes for Customs duty w.e.f 1 April 2021

Product	Old rate (%)	New rate (%)
Inputs for manufacture of PCBA, connectors and camera module for mobile phones and sub-part	Nil	2.5
Inputs / raw materials used in manufacture of various parts of mobile phones	Nil	2.5
Inputs for manufacture of ink cartridges, spray nozzles and other machines capable of connecting to an automatic data processing machine or to a network	Nil	2.5
Parts or components of PCBA of lithium-ion battery or battery pack	Nil	2.5
Inputs (other than Lithium-ion cell and PCBA) of lithium-ion battery or battery pack	Nil	2.5

- Tariff entry 2709 00 00 (Petroleum oils and oils obtained from bituminous minerals, crude) to include 2709 00 10 (Petroleum crude) and 2709 00 90 (other). No change in Customs duty rate.

Changes in Customs tariff w.e.f 1 January 2022

- Rationalization of tariff entries and rates.

New rate for Central Excise duty w.e.f 2 February 2021

Product	Old rate (INR)	New rate (INR)
Petrol intended for sale without a brand name	2.98 / litre	1.4 / litre
Petrol (other than above)	4.16 / litre	2.6 / litre
Diesel intended for sale without a brand name	4.83 / litre	1.8 / litre
Diesel (other than above)	7.19 / litre	4.2 / litre
20% ethanol blended petrol	-	Nil
15% methanol blended petrol	-	Nil
Special Additional Excise duty on petrol	12 / litre	11 / litre
Special Additional Excise duty on diesel	9 / litre	8 / litre
Special Additional Excise duty on 20% ethanol blended petrol	-	Nil
Special Additional Excise duty on 15% methanol blended petrol	-	Nil
Additional Excise duty (Road and Infrastructure Cess) on 15% methanol blended petrol	-	Exempt
Additional Excise duty (Road and Infrastructure Cess) on 20% ethanol blended petrol	-	Exempt
AIDC on 5% ethanol blended petrol	-	Nil
AIDC on 10% ethanol blended petrol	-	Nil
AIDC on 20% ethanol blended petrol	-	Nil
AIDC on 15% methanol blended petrol	-	Nil

AIDC on biodiesel	-	Nil

- Tariff entry 2709 (Petroleum oils and oils obtained from bituminous minerals, crude) to include 2709 00 10 (Petroleum crude) and 2709 00 90 (other).

Changes in Central Excise tariff w.e.f 1 January 2022

- Chapter 24 to be renamed.
- Insertion of tariff heading 2404 (Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body).

We have a robust team specializing in litigation and advisory aspects of telecom and media related laws. We have been advising and representing several clients in the technology, telecom, broadcasting sector.	**Corporate law**
We specialize in all aspects of Dispute Resolution and offer clients advisory services to avoid Disputes. Our firm adopts bests practices and three of our partners are litigators. Our litigation team has a cumulative experience of about 40 years. We take pride in defending our clients and try to achieve the same in the best possible time frame.	**Dispute resolution**
We have deep knowledge of the Direct tax laws and have also assisted in corporate restructuring, transaction planning, diligence, contract reviews to name a few. We also engage substantially without clients on the Indirect tax front on matters of GST, Customs, Foreign Trade Policy and erstwhile laws. We have also been engaged for advisory and advocacy services.	**Tax**

Sector expertise

Infrastructure	Consumer goods	Technology
Pharmaceutical	Intellectual property	Aerospace and Defence
Broadcasting	Real estate	Telecom

Team and structure

1

Partners

- Combined experience of over 50 years in legal matters
- Experienced in varied legal and tax matters
- Presently working across multiple business sectors

2

Legal team

- Diligent team of experienced and fresher lawyers
- Regularly appear and argue in courts
- Aware of and fast developing court craft skills

3

Court and compliance team

- Capable team to handle day-to-day filings
- Aware of court nuances and efficient
- Adept in monthly tax compliances

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Thank you

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